

IN THE UNITED STATES COURT
OF FEDERAL CLAIMS

No. 97-82-T

(Judge Futey)

CHEMETCO, INC.,)
)
Plaintiff,)
)
vs.)
)
UNITED STATES OF AMERICA,)
)
Defendant.)

DEPOSITION OF 30B6 WITNESS: JOHN SUAREZ,
Taken on behalf of Defendant
September 3, 1998

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ST. LOUIS, MISSOURI 63141
314-275-4160

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DEPOSITION OF 30B6 WITNESS, JOHN SUAREZ,
produced, sworn and examined on behalf of the Defendant,
between the hours of eight o'clock in the forenoon and six
o'clock in the evening of that day, taken in the offices
of the United States Attorney, 1114 Market, 4th Floor,
City of St. Louis, Missouri before Jane M. Rich, a
Registered Professional Reporter and Notary Public within
and for the State of Missouri, in a cause now pending
before the United States Court of Federal Claims.

A P P E A R A N C E S

The Plaintiff was represented by Mr. Juan D.
Keller of the law firm of Bryan Cave, One Metropolitan
Square, Suite 3600, St. Louis, Missouri 63102.

The Defendant was represented by Mr. Edward L.
Froelich, Assistant United States Attorney, Department of
Justice, P.O. Box 26, Washington, DC 20044.

The Witness was represented by Mr. Patrick
Flynn, Attorney at Law, 23 Public Square, Belleville,
Illinois 62220.

1 IT IS HEREBY STIPULATED AND AGREED by and
2 between Counsel for the Plaintiff and Counsel for the
3 Defendant that this deposition may be taken in shorthand
4 by JANE M. RICH, a Registered Professional Reporter and
5 Notary Public and transcribed into typewriting and signed
6 by the witness.

7 o-0-o

8 JOHN SUAREZ,
9 of lawful age, being produced, sworn and examined on
10 behalf of the Defendant, testified as follows:

11 DIRECT EXAMINATION

12 QUESTIONS BY MR. FROELICH:

13 MR. FROELICH: Before we begin testimony, I'm
14 just wondering if people would like to -- or Mr. Flynn, if
15 you would like to state your name, and in what capacity
16 you are here.

17 MR. FLYNN: My name is Patrick M. Flynn. I'm an
18 attorney representing John Suarez, individually.

19 Q. (By Mr. Froelich) Okay. Mr. Suarez, my name is
20 Ed Froelich. We met just briefly a couple moments ago.

21 I represent the United States in this matter,
22 Chemetco versus United States. And you are here pursuant
23 to a subpoena that Mr. Flynn agreed to receive on your
24 behalf at his offices.

25 And I'd like to mark that subpoena that I

1 received back in the mail as Exhibit 1 to this deposition.

2 [Reporter marked Defendant's Exhibit 1.]

3 Q. (By Mr. Froelich) Mr. Suarez, have you seen a
4 copy of that, or anything like that?

5 A. No, I haven't.

6 Q. Okay. Basically, it's a subpoena for your
7 appearance here to be deposed and testify about matters
8 relating to this case. So that's Exhibit 1.

9 Have you given testimony prior to this
10 deposition, in a deposition? Have you given deposition
11 testimony before?

12 A. Any kind of deposition?

13 Q. Yeah, any kind.

14 A. Yes.

15 Q. Okay. What were those times that you did that?

16 A. One time I gave it in a divorce case.

17 Q. Okay. Well, you've been married for 33 years,
18 so it's not your own divorce.

19 A. No, not mine. It was an employee of mine.

20 Q. Okay. And any other deposition you've given?

21 A. I've given a deposition in a antitrust, or not
22 antitrust, but in a civil case involving Chemetco.

23 Q. Do you know who the other party was in that
24 case?

25 A. It was W. Silver.

1 Q. Okay. In around the time of that deposition,
2 when that was given -- or better, it would be better if
3 you knew what the events that were in dispute or underlay
4 the case when those occurred?

5 A. Yeah. I'm sorry, I didn't quite understand the
6 question.

7 Q. When you gave deposition testimony about some
8 events or some kind of transactions that occurred
9 between -- that Chemetco carried out?

10 A. Yes.

11 Q. I'm assuming. Do you know when those would have
12 occurred?

13 A. It was in the eighties.

14 Q. Yeah.

15 A. I don't remember.

16 Q. Okay. And you're not sure whether it was an
17 antitrust suit or not?

18 A. It was a suit for the conspiracy to, the attempt
19 to, the attempt to monopolize and monopolize my pricing
20 strategies.

21 Q. Okay. And that was what Silver was
22 accusing Chemetco --

23 A. Yes. Chemetco to do.

24 Q. Oh, okay.

25 A. See, those are big words for me to say. That's

1 why I had to think about that. Monopotize and monopolize.

2 Q. Did that case go to trial?

3 A. Yes.

4 Q. And what was the result?

5 A. They dropped it in the middle of the trial, so
6 it was --

7 Q. It wasn't settled again?

8 A. Yeah, we settled it. We settled it by no one
9 claiming anything, and just dropped the case.

10 Q. Oh, okay. Any other deposition testimony you've
11 given besides the two you indicated?

12 A. Not to my knowledge.

13 Q. Okay. How about testimony at a trial? I take
14 it you gave testimony at the W. Silver trial?

15 A. Yes.

16 Q. Anything else, any other trials?

17 A. No.

18 Q. Any testimony under oath in any other kind of
19 proceeding that you can think of?

20 A. Not to my knowledge.

21 Q. Okay. One of the reasons I ask that is, it
22 helps if there's someone who's had some experience being a
23 deponent before.

24 Because as you can see, the reporter's taking
25 down every word that we speak, and she needs to have a

1 pretty clear verbal record to make her transcript from.
2 So, sometimes people will nod or not speak out the word
3 that they should. That's something that we have to
4 remember to do, say yes or no.

5 Also, if I'm asking a question, if you can just
6 wait until I finish it. And then I'll wait until you
7 finish your answer to follow up on the answer.

8 If there's any question that I have that's not
9 clear to you, please let me know. I'll try and rephrase
10 it.

11 And I guess one or the other of the attorneys
12 here may make an objection to a question. And it depends
13 on what they're saying whether or not you can go ahead and
14 answer it. But they'll let you know what they think you
15 ought to do on that score.

16 The deposition testimony will be transcribed as
17 you know. And the transcription will be available for
18 your review, if you wish, to look at and make corrections
19 on it.

20 If there's no questions you have for me, I'll go
21 into some more substantive stuff.

22 A. Thank you.

23 Q. In preparation for the deposition today, did you
24 review any documents, any sort of notes, or anything like
25 that?

1 A. Nothing.

2 Q. Okay. Did you talk to anyone in preparation for
3 this deposition?

4 A. Yes.

5 Q. Talk to your attorney?

6 A. [Nodding.]

7 Q. And talk to Mr. Keller?

8 A. My attorney and Mr. Keller.

9 Q. Okay. How about anyone else?

10 A. No.

11 Q. Okay. What I'll do is go through some
12 background questions, and then focus more on your
13 connection with Chemetco. Try and be, you know, probably
14 be more focused on events in 1987. And then I'll go
15 beyond that to the eventual break up of the arrangement
16 between Concorde and Chemetco in '93. And maybe some
17 questions after that in terms of chronology.

18 We'll take a couple breaks along the way. Or if
19 you want to take a break at any time, just let me know and
20 we'll do that.

21 So if we could just go into your educational
22 background, your college?

23 A. University of -- I went to University of
24 Missouri at Rolla.

25 Q. Okay. What was your course of study?

1 A. A degree in metallurgical engineering.

2 Q. You got a degree in that?

3 A. Yes.

4 Q. Okay. That was what, a B.S., or --

5 A. B.S.

6 Q. What year is that?

7 A. January, 1967.

8 Q. Okay. Did you go on to get any further
9 education after that?

10 A. No, sir.

11 Q. Okay. Did you obtain any kind of license or
12 that sort of a thing? Engineering license, or anything
13 like that?

14 A. No. I have an honorary doctorate degree from
15 the university for my work in metallurgy.

16 Q. Oh, okay. You published some papers on
17 subjects?

18 A. I have published one or two papers on recycling.

19 Q. Okay. Is that specifically recycling of scrap,
20 various scrap metals?

21 A. Yeah. And given talks on it.

22 Q. Okay. How about your occupation or jobs after
23 you graduated from college? What have those been?

24 A. After college I went to work at Laclede Steel
25 Company. I went to work there as a metallurgical

1 engineer.

2 Q. Okay. Is that somewhere in this area?

3 A. That's Alton, Illinois.

4 Q. So that would have been what, around '67 or '68?

5 A. Sixty-seven.

6 Q. What did they do? Did they fabricate steel
7 beams, that sort of thing? What did they do?

8 A. They made steel wire and steel coils.

9 Q. Did they use recycled material to do that?

10 A. Yes.

11 Q. Okay. What position did you have there?

12 A. I was a metallurgist, shift foreman, general
13 foreman, and assistant superintendent.

14 Q. Those, I assume, were promotions along the way?

15 A. Yes.

16 Q. So when you became a superintendent, what was
17 your duties?

18 A. Assistant superintendent.

19 Q. I'm sorry, assistant.

20 A. I supervised about 600 people in a department
21 that was called the Blooming Mill. It was three shifts,
22 21, or seven days a week, three shifts, where they would
23 roll the steel down to the smaller form, and like that.

24 Q. Call it Blooming?

25 A. Blooming Mill, B-l-o-o-m-i-n-g.

1 Q. And so when you left Laclede, what year was
2 that?

3 A. That was in January, 1970.

4 Q. Okay. And you went on to get a better job after
5 that, or what did you do?

6 A. Yes. I went to work for a company called
7 Chemical Metals.

8 Q. Chemical or Chemeco?

9 A. Chemeco. I mean I'll save you a lot of
10 questions. That's Chemetco, but it had its name changed
11 because --

12 Q. Some confusion between the name of another
13 company?

14 A. Yeah.

15 Q. Okay. So was that a company that Denis Feron
16 had founded, Chemeco Metals?

17 A. I was hired -- I was not hired by Denis Feron
18 for that job, but --

19 Q. Do you know who created that company, Chemeco
20 Metals?

21 A. No, I don't know who created it.

22 Q. Okay. Who was the president at the time?

23 A. Earl Bockstruck.

24 Q. Okay. And who owned the company at the time?

25 A. I don't know who owned it.

1 Q. Okay. What was your position, as hired there in
2 1970?

3 A. Metallurgist.

4 Q. You didn't have a superintendent, any kind of
5 superintendent duties at that time?

6 A. No, not at that time.

7 Q. Okay. What made you decide to take a job being
8 a metallurgist, after having been a superintendent of 600
9 employees?

10 A. That was my first job. It was a green form at
11 that time. And I was eventually to be moved into the
12 whole operations.

13 So I started out as a metallurgist to -- it was
14 a different process. What I was working at was in the
15 ferrous metallurgy. This was non ferrous metallurgy,
16 where it was the recycling plant where we're extracting
17 the metals out of the scrap. Copper, tin, and lead, and
18 precious metals.

19 So I was the third person hired there. And I
20 was 25 years old. And it was a leading edge technology,
21 and I had a good future there. I thought I had a good
22 future.

23 Q. Okay.

24 A. Just make more sense, Earl Bockstruck was the
25 Vice President of Operations of Laclede Steel.

1 Q. Uh-huh.

2 A. And he left to become president of -- he became
3 president of this company, and he asked me to go with him
4 to this new venture.

5 Q. Oh, I see, okay. The cutting edge technology.
6 Was that technology developed in Europe?

7 A. Yes.

8 Q. Be the -- I understand that the Feron family --
9 I'm not sure, someone in, who in the Feron family, but
10 that technology was developed by someone in the Feron
11 family, and used in a company called Metalo-Chimique; is
12 that correct?

13 A. Right.

14 Q. Okay. Do you know where Earl Bockstruck is now?

15 A. He's passed away.

16 Q. How long did you remain a metallurgist there?

17 A. Six months.

18 Q. Okay. And then you stepped up to, or went into
19 a different job?

20 A. Yes. Basically what I did, when I was hired, I
21 wanted to be trained at Metalo-Chimique. I worked there
22 six months in Europe, in Belgium. Then I came back, and I
23 started up the first phase. Then I started the second
24 phase of the operation. And I started up the third phase
25 of the operation. So I, basically, was trained and then

1 started up as the plant was built. Hired the people,
2 trained the people, to run the operations.

3 Q. Okay. Who trained you in Europe, do you know?

4 A. Oh, a lot of people.

5 Q. Yeah.

6 A. Yeah.

7 Q. And did you know who the owner of
8 Metalo-Chimique was?

9 A. At that time it was a publically-held company.

10 Q. Okay. Do you know who held the shares at all,
11 do you know that?

12 A. No, I don't know anything about that.

13 Q. When did the -- you said at that time, did the
14 ownership of Metalo-Chimique change?

15 A. Well, that I'm not sure of. But I do know that
16 it's not publically held now.

17 Q. Okay. Do you know who, what -- if it's not
18 publically held now, do you know, what entity or
19 individual owns it?

20 A. No.

21 Q. How do you know it is not publically held now?

22 A. Because I was trying to buy shares of it in that
23 period of time, and there was not -- no longer publically
24 traded.

25 Q. You familiar with a company called N. F. I.,

1 N.V., Non Ferrous International, N.V.?

2 A. Yes.

3 Q. What do you know about that company?

4 A. That company, that company is, I believe, a
5 holding company of Metallo-Chimique. Or it's, it is N. F.
6 I. is a company where Metallo-Chimique, and I think Union
7 Mineere have a joint venture, which I believe is
8 Metallo-Chimique. So they're the holding company of
9 Metallo-Chimique.

10 Q. What was the second name you mentioned?

11 A. Union, U-n-i-o-n and M-i-n-e-e-r-e, I believe.

12 Q. Okay. When you were interested in buying shares
13 in Metallo-Chimique, who did you inquire with to do that?

14 A. Oh, that was with the people that I knew, like
15 Von Rassel, or people I was working with, the lower
16 management level.

17 Q. When did you inquire to buy shares of
18 Metallo-Chimique?

19 A. Early eighties I believe, or late seventies.

20 Q. You know a fellow named Huber D'Hoop? Who is
21 that?

22 A. Huber?

23 Q. [Nodding.]

24 A. Huber, who is he? He's an individual that I've
25 met that is a, has something to do with something that the

1 Ferons are doing. I'm not sure what he does. But I've
2 met him, and involved in the tin business.

3 Q. Okay. And does he have any connection to Bank
4 of Luxembourg?

5 A. Oh, I have no idea.

6 Q. Do you have any idea why he would be interested
7 in this case?

8 A. Who, Huber?

9 Q. Yeah.

10 A. No. What, the Chemetco case?

11 Q. Yeah.

12 A. No.

13 Q. Okay. Who owns N. F. I.?

14 A. I don't know.

15 Q. Does Denis Feron own it?

16 A. I don't know.

17 Q. Are you familiar with a company called
18 Metalo-Chimique International, N.V.?

19 A. Yes.

20 Q. How does it differ from Metalo-Chimique, N. V.?

21 A. Metalo-Chimique International is the trading arm
22 of -- it's a trading company, basically, where
23 Metalo-Chimique International handles the purchase and
24 sales of materials.

25 Q. Okay. Okay. These two companies, are they the

1 modern, or the present day version of Metalo-Chimique that
2 you tried to buy into in the late seventies or eighties,
3 or early eighties?

4 A. It's the same plant.

5 Q. Same plant?

6 A. Metalo-Chimique is the plant. Metalo-Chimique
7 International is an organization of, commercial
8 organization with entities in different places, all over.
9 I don't know exactly where they have it now.

10 Q. Okay. How did you know about N. F. I.?

11 A. It's in the Metal Bulletin. It's a transaction
12 that was made. It's common knowledge. It's in the trade
13 papers.

14 Q. And you mentioned a transaction. What
15 transaction is that?

16 A. There was Metalo-Chimique was sold. Nineteen
17 percent of Metalo-Chimique was sold to Union Mineere, or
18 it was less than 20 percent, I can't remember what, but
19 it's in the Metal Bulletin. It was in the metal market
20 and trade magazines.

21 Q. Okay. Less than 20 percent?

22 A. I think that's what it said. I don't remember.

23 Q. Would it have identified who held the other 80
24 plus percent, that bulletin?

25 A. I don't remember. I don't recall.

1 Q. Okay. And that was something called Metals
2 Week?

3 A. Yeah. Metals Week, Metal Bulletin, Metals
4 Market. It's the metals trade publication.

5 Q. Do you think -- And was that some of recent
6 event, that sale to Union?

7 A. It wasn't this year. It was before. I don't
8 know if it was two years ago, or three years ago.

9 Q. Okay. But was it some time in the 1990's?

10 A. It was in the '90's.

11 Q. Okay. And Union Mineere, is that just some
12 other company?

13 A. Yes.

14 Q. Okay. So when you came back from
15 Metallo-Chimique having been trained, you said you set up
16 the different phases of operations. Did that include the
17 tank house?

18 A. Yes.

19 Q. The operation?

20 A. [Nodding.]

21 Q. Okay. Can you bring me from -- So, that was
22 still around 1970 or '71, when you started that process?

23 A. Seventy-one, '72.

24 Q. By the time you finished these three phases,
25 what year was it?

1 A. Seventy-three, or something like that.

2 Q. And had you, between that time, '70 to '73, had
3 occasion to speak to Mr. Feron, Denis Feron?

4 A. Yes.

5 Q. And what did you understand his position to be
6 in the company at that point?

7 A. I understood that he was the operating officer,
8 or the chief of Metallo-Chimique.

9 Q. Oh. Okay. So he was in Europe, when you were
10 over there?

11 A. Yes.

12 Q. Okay. When you were working in the United
13 States at -- well, then it was called Chemeco Metals, I
14 take it, did he also come there, or was he there as well?

15 A. Periodically.

16 Q. Okay. After 1973, what -- had your position
17 changed from '70 to ',73 at Chemeco Metals?

18 A. Yes. I was what, different little titles and
19 all that, but it was basically operating the plant.

20 Q. Okay. The plant operate the plant like --

21 A. Running the plant, basically.

22 Q. Okay. How about '73, through, say, '70 -- or
23 1980, any changes in your in your positions or your
24 duties?

25 A. Seventy-three to about '80, basically was the

1 same.

2 Q. Okay.

3 A. Was the same. And somewhere in the early
4 eighties, probably, I did start doing more commercial
5 business.

6 Q. Okay. As opposed to operating the plant, you --

7 A. In addition to operating the plant, yeah.

8 Q. Okay. And when you say commercial business,
9 what do you mean by that? Selling, were you selling the
10 product?

11 A. Mostly buying.

12 Q. Okay.

13 A. Heavily involved in the buying of scrap.

14 Q. Oh, okay. I take it the company changed its
15 name, at some point in between there, to Chemetco?

16 A. Yeah, it was early on.

17 Q. Were you -- Or did you have some occasion to
18 meet other people in the Feron family, Michel Feron, or
19 Simone Feron at that point, 1980?

20 A. Yes.

21 Q. Do you know how that came about? Did they visit
22 the plant, or how did that come about?

23 A. Yes, they visited the plant.

24 Q. Okay. At some point did Denis Feron take up a
25 residence in or around the plant?

1 A. Yes.

2 Q. And what did you understand his position to be
3 then?

4 A. Running the company.

5 Q. Okay. Did you have any clear idea up to 1980,
6 who owned the company?

7 A. No.

8 Q. Okay. You know this company with a French name,
9 Le Societe Financiere de Gestion et de Participations,
10 do you know that?

11 A. I know the name, yeah.

12 Q. Did you, did you ever, did you ever realize that
13 that was the owner of Chemetco?

14 A. Not until I did that Silver deposition.

15 Q. Oh, really? It came out there?

16 A. Yeah. They had all that. They had all the
17 documents.

18 Q. Oh. Okay. Who was the attorney at Chemetco
19 during the time of the Silver deposition? Or the Silver
20 case, I'll say that.

21 A. Had attorneys. Can't remember the names. Mike
22 was involved. Emmett was involved early, but not later.

23 Q. That's Mr. Fitzgerald?

24 A. Uh-huh. And the attorneys that actually handled
25 the case in Texas was the, was a Dallas law firm. And I

1 can't remember their name.

2 Q. Okay. So the trial was in Texas?

3 A. El Paso.

4 Q. Was that a federal court, or a state court?

5 A. I don't remember that.

6 Q. Okay. Okay. Did you become an officer at any
7 point in Chemetco?

8 A. Yes.

9 Q. Okay. When did you first become an officer?

10 A. I don't remember the years.

11 Q. All right. And what position was that? What
12 title was it, I guess?

13 A. I don't remember.

14 Q. Okay. Did you ever become vice president? Were
15 you ever a vice president with Chemetco?

16 A. I don't know for sure. I don't remember.

17 Q. Okay. Were you ever president of Chemetco?

18 A. No.

19 Q. I'm talking any time now.

20 A. I don't, I don't remember. I don't really
21 remember.

22 Q. Are you president of Chemetco now?

23 A. No.

24 Q. Oh, okay. Do you think that your title's
25 changed at all? You might have, you could have been vice

1 president, and you became president later?

2 A. We're almost a titleless company. That's how we
3 run it.

4 Q. Yeah.

5 A. So I, I don't, I really don't pay attention to
6 those things, and it's something -- it's a fault probably,
7 but I just, I just don't even care.

8 Q. Okay. Well, in the eighties then, was it a
9 titleless sort of company?

10 A. We worked -- I mean if I -- if you had to ask me
11 what titles people have --

12 Q. Yeah.

13 A. I have no clue.

14 Q. Okay.

15 A. But I just know who did it.

16 Q. All right. Well --

17 A. What they're supposed to do.

18 Q. All right. All right. That's what I'm trying
19 to get at really. Who ran the company in, say, 1980
20 through 1987?

21 A. 1980, 1987, I would say Denis Feron ran the
22 company.

23 Q. Okay. At some point did Chemetco stop selling
24 cathodes?

25 A. Yeah.

1 Q. Okay. It just decided to sell the copper anodes
2 as its main copper product; is that right?

3 A. Copper anodes became the main copper product
4 when we stopped selling copper cathodes.

5 Q. Was there any, would there have been any reason
6 for the company to have had sales of cathodes after that
7 period?

8 A. Would have been any reason to have sales of
9 cathodes after that period? Yeah, there could be reasons
10 for that.

11 Q. Okay. Do you know if, in fact, that happened
12 after it stopped making cathodes? Do you know if, in
13 fact, it sold cathodes?

14 A. No, I don't remember anything like that.

15 Q. Okay. Talk about the period 1980 through 1987,
16 what, if any, relationship was there to Chemetco Concorde
17 Trading Company and Chemetco?

18 A. Concorde Trading, I don't remember exactly those
19 years. But Concorde Trading was a company that bought and
20 sold the products. And Chemetco would toll the material
21 for them.

22 Chemetco was the operating arm, and Concorde
23 Trading would be buying and selling some of its business
24 through Chemetco. So, there was a tolling arrangement of
25 some kind between the two companies.

1 Q. Okay. Prior to that, what sort of relationship
2 was there between the two companies?

3 A. I don't know of any before, before that, I don't
4 know.

5 Q. I understand that Concorde Trading did exist
6 prior to that tolling arrangement?

7 A. I don't know. I don't, I don't recall any of
8 that.

9 Q. Okay. How would you describe your current
10 relationship with Denis Feron?

11 A. He was my, my teacher, my mentor. It's like an
12 old college professor. I have a lot of respect for him.
13 Yeah.

14 We're a generation apart almost, so I mean, it's
15 not like we're going out and hoisting down Budweisers
16 together, but, but I would say that I have a lot of
17 respect for him. And the relationship, I hope, is still
18 very good.

19 That's it.

20 Q. Okay. I mean, there's some college professors
21 that I've had, that I respect a lot, but I don't, I don't
22 think I've talked to them for quite a number of years. I
23 take it, it's different in this instance. You've spoken
24 to Mr. Feron, maybe even this year; have you?

25 A. I speak with him, I would say, once a year.

1 Q. How about this year, how many times?

2 A. I'll probably speak with him next month.

3 Q. You actually have it planned out to speak to
4 him?

5 A. The London Metals Exchange, they have the big
6 convention. And usually during that period of time, I go
7 over there and I try to have a coffee or something like
8 that, and say hello, and how thing's going, and that kind
9 of stuff.

10 Q. Okay. What about correspondence? Any kind of
11 written communications between the two of you?

12 A. No. No. We both don't write well. No.

13 Q. Okay. So have you had any conversations with
14 him this year?

15 A. I had one conversation, one conversation with
16 him about -- I can't remember when. It's been a few
17 months ago, sometime like that.

18 Q. And do you know what it was about?

19 A. It was about some environmental, environmental
20 things going on in the United States. How they relate to
21 Europe and things like that. Change in the Clean Water
22 Act, change in the Air Act, the effect it has, and
23 different things like that.

24 Q. Impact on Chemetco's business?

25 A. Yeah.

1 Q. Did this case come up at all during the
2 conversation?

3 A. No.

4 Q. Okay.

5 MR. KELLER: By that, you mean this tax case?

6 Q. (By Mr. Froelich) Yeah, I mean Chemetco. I
7 mean this tax refund case, yeah.

8 MR. KELLER: Okay. I just wanted to clarify.

9 Q. (By Mr. Froelich) Okay. No problem.

10 A. The case, the case we're talking about now?

11 Q. Is that what you understood my question to be?

12 A. Yeah. No discussion of that.

13 Q. Okay. In prior years, you can go back '98, '97,
14 '96, have you ever had discussion with him about this
15 case?

16 A. Never.

17 Q. Okay. Is there anyone else in the Feron family
18 you might deal with, or had --

19 A. I'm sorry. No.

20 Q. Something occur to you? Or you need to -- you
21 remembered something?

22 A. No. Nothing on this tax case. That's the
23 correct answer.

24 Q. Yeah, I realize that there is a, there is
25 another case that's been filed. Something related to

1 Concorde and P-E Services?

2 A. No, nothing.

3 Q. Oh. Is there anyone else in that family, Feron
4 family, that you have currently some kind of connection
5 with, or relationship with?

6 A. None.

7 Q. Okay. How would you describe the role of Tom
8 McRaven, say in the 1984 through '87 period? Sort of
9 mid-eighties period? This is in Chemetco.

10 A. CFO.

11 Q. Okay. And what sort of responsibility did he
12 have to you? Did he have any responsibilities to you, or
13 report to you, or anything like that?

14 A. Once again, I have to emphasize the way we
15 worked. We really tried to do a team type of working. We
16 knew what we had to do. I would -- he -- Tom did not
17 report to me. Tom and I worked together.

18 Q. Okay.

19 A. We didn't -- he didn't report to me.

20 Q. Okay. Do you know why he would have -- in his
21 deposition testimony, he did describe it that way. We
22 took a deposition of him, you may know, a month or so ago.

23 A. I really don't know.

24 Q. Okay. He described it that way, that he
25 reported to you. Do you think there's any, there was

1 any -- you think he had some reason for stating it that
2 way?

3 A. Maybe, it's the personality of Tom's. I'm a lot
4 more outgoing, and Tom's very quiet. If we went in a
5 room --

6 Q. Yeah.

7 A. I'd talk a lot more.

8 Q. Oh, okay.

9 A. And he knew numbers. And I knew what was going
10 on in the plant. But I never thought of myself as being
11 his boss.

12 Q. Okay. How about in terms of reporting, or
13 responsibilities to Mr. Feron in that time period, can
14 you --

15 A. Pointing to him.

16 Q. Yeah, you can start with yours, sure.

17 A. Yes.

18 Q. You did report to him?

19 A. Yes.

20 Q. What sort of things would you report to him?

21 A. Oh, how much went through the furnaces. How
22 much delay we had. How much we'd buy. How much we'd
23 sell. I mean, just a general, you know, condition of the
24 business.

25 Q. Okay. Would that include figures on profits,

1 monthly profits or weekly profits, that sort of thing?

2 A. Tom, Tom did more of that.

3 Q. Were you in on those conversations or meetings
4 when they happened?

5 A. Probably, sometimes.

6 Q. Were you kept abreast of those sorts of
7 financial data, as well as Mr. Feron?

8 A. As well as Mr. Feron? I'm not sure how much.
9 Maybe Mr. Feron knew more than me. I don't know.

10 Q. Okay. Well, is it -- say, I'm not sure whether
11 the company had weekly, monthly reports or anything?

12 A. We tried to do daily stuff even, you know.

13 Q. Yeah. And were you aware of that daily
14 information?

15 A. Yes.

16 Q. Okay. How about negotiation of contracts, sales
17 contracts, in the 1987 time period? Did you have any
18 involvement with that?

19 A. Yes, I would have.

20 Q. Okay. I know of at least two contracts that I
21 think occur at that time. One was Southwire -- or at
22 least were in existence during that time. Did you have
23 any participation in the administration of that contract?

24 A. Yes.

25 Q. Okay. How would you describe what your

1 involvement was?

2 A. I was the front man.

3 Q. Okay. What do you mean by front man?

4 A. Well, I was the one that did all the talking and
5 carried back the messages. And we decided -- then we had
6 a decision on what we'd do. So I was the point man, front
7 man. I was the actual mouthpiece for the contract
8 negotiations.

9 Q. And as far as the decisions that Chemetco would
10 make for which you were the mouthpiece, how were those
11 decisions made?

12 A. Then we had two more mouth pieces involved, and
13 all three of us would decide on what to do.

14 Q. And that was Mr. Feron and who else?

15 A. Tom.

16 Q. Okay. Do you remember generally the
17 characteristics of that business relationship in 1987,
18 between Chemetco and Southwire?

19 A. I remember we would spend a lot of time working
20 with Southwire. And I felt we had a very good
21 relationship. We tried to get closer.

22 We operated, we tried to operate at all levels
23 of management, to make it more of an industrial
24 relationship versus a commercial type relationship. So I
25 would say the relationship was quite good.

1 Q. When you say industrial versus commercial, what
2 do you mean?

3 A. Well, I define a commercial relationship was
4 just when you would just, say, walk outside and go to
5 John's Cigar and buy a, buy a cigar. Or versus going and
6 sitting down and working with them on where he exports,
7 where he brings his cigars in from, how they're packaged.
8 And you work more like, together, more of a team thing,
9 instead of just two pieces of paper in the wind, and it's
10 done, it's done. The contract was made, we had ongoing
11 business, but we worked daily, weekly, monthly, on
12 strengthening the relationship. More than just buy and
13 sell.

14 Q. Okay.

15 A. How do we improve the packaging, you know. It
16 was constant.

17 Q. Okay. How about the contract activities with
18 Asarco, were you involved with that?

19 A. Yes.

20 Q. Okay. Would you describe yourself in the same
21 way, as the front man?

22 A. Exactly.

23 Q. And the way in which the decisions were made on
24 Chemetco's side, was it the same way with you, Mr. Feron,
25 and Tom McRaven?

1 A. Yes.

2 Q. In those discussions, what sort of input would
3 you have?

4 A. This is as low as they'll get. This is the best
5 deal we can have, I think.

6 Q. Yeah. Okay. What sort of involvement did you
7 have with commodities trading in the middle eighties with
8 Chemetco?

9 A. No involvement with commodities trading.

10 Q. Okay. So this will be two.

11 [Reporter marked Defendant's Exhibit 2.]

12 Q. (By Mr. Froelich) This is a document provided
13 to me just the other day, CME03587 through 03591. Just
14 ask you to take a look at it. And then I'll ask you one
15 or two questions.

16 Okay. I think it's toward the end here. I
17 understand this to be some kind of report that the company
18 filed with the Commodities Futures Trading Commission
19 concerning the company's activities with commodities
20 futures trading, futures trading, that sort of thing.

21 And if we turn towards the last page, there's
22 a -- on part C, number two, there is an identification of
23 the person who, it says here, controls the futures
24 trading. And it says, different persons are responsible
25 for different commodities, use a continuation sheet.

1 In any case, your name is given there, and then
2 the address of the company. This -- I think the one you
3 have is dated 1983. It's on one of the other pages in
4 that package.

5 A. Yeah.

6 Q. Okay. Do you have -- can you describe why
7 you're named, being put there as controlling futures
8 trading for the company at that time? Or why this is
9 being reported to the CFTC?

10 A. Well, this, this isn't my writing in here, first
11 of all.

12 Q. Yeah, I think it's Tom McRaven's, if I had to
13 take a guess.

14 A. It's not mine. Well, I would be, I would be
15 involved in the futures trading. I would be involved in
16 the hedging part of it, because I would be the one who
17 would be somewhat knowledgeable of what, how much
18 material's bought, and the copper content, and all that
19 kind of materials bought.

20 Q. Okay. This one specifies someone who controlled
21 the futures trading. Would you say that's an exaggeration
22 on the part of --

23 A. I think it's a big exaggeration.

24 Q. Why do you say, why do you say it's a big
25 exaggeration?

1 A. Because I've -- controlling the futures trading.
2 I don't understand, really, what that means. But to me
3 that means you really got some control over the trading.

4 Q. That's what the words mean.

5 A. Yeah, I know. I don't think that exists too
6 much.

7 Q. Okay. Well, was there a person that one could
8 identify as controlling futures trading in the company at
9 that time?

10 A. I don't know. Who's this with?

11 Q. You mean who the trading is with?

12 A. I don't understand the document very well.

13 Q. Well, there is another schedule in here supplied
14 that indicates several names of brokers, and state and
15 country, that sort of thing.

16 A. Uh-huh.

17 Q. I don't know if you see that in there or not.

18 As far as I can tell, it's -- I'd have to look
19 more, but there isn't any direct relationship in this
20 document to -- when it says, "controlling futures trading"
21 in any of these names, but I'm assuming there's some kind
22 of connection?

23 A. Right. Well, I think this is just something
24 like I would be able to sign checks for -- my name would
25 be on somewhere. Two or three people to sign a check or

1 something like that to pay for, payables of the company,
2 or something like that.

3 Q. Okay. Well, whatever the reason was for putting
4 that down, what, in fact, was it a team approach to
5 futures trading at that time where you would discuss it
6 with Mr. Feron and Mr. McRaven? Is that what you would
7 say?

8 A. What would happen was that -- yeah, on whether
9 to hedge or not.

10 Q. Yeah, well, I'm assuming that the reason --
11 Well, I mean, one of the issues in this case of course is
12 that the company says that it's -- the trades that it did
13 in '87 were hedging activities, so --

14 A. Right.

15 Q. I understand what you're saying is, trading is
16 no different from hedging for purposes of the company,
17 rather than some speculative activity?

18 A. Right. And I would not have the right to go out
19 and speculate with the company's position at all. I mean,
20 that's something I wouldn't allow anybody to do, start
21 gambling with your money. So that's how -- when I read
22 that, that's why I had that apprehension.

23 Q. Okay. Well, let's -- it seems to me if we look
24 at the document, it -- let's look at another page here,
25 because it -- if we look at, I think there should be a

1 schedule one in there where it has futures contract used.

2 It's part A and part B of schedule one.

3 Do you see that?

4 A. I do, sir.

5 Q. And it says, "market activities associated with
6 your hedging". Then it says, "copper cathodes" and --

7 A. Oh, okay.

8 Q. "It's small producer".

9 A. I see.

10 Q. Do you see that?

11 A. Right.

12 Q. So I think when the company's reporting this, it
13 does consider it as a kind of hedging activity?

14 A. Right. So, this is a hedge account.

15 Q. That's what it seems to be reporting.

16 A. Okay.

17 Q. So does that change your apprehension at all?

18 A. Right. I would have been involved in the
19 hedging.

20 Q. Okay. Would you characterize that as
21 controlling the decisions on that?

22 A. No.

23 A. Today I control that. That's a function of
24 selling and the hedging that -- It's a very important
25 function for a company. And my function in that was to

1 take, as I remember, my function was to report on a
2 regular basis what is being bought.

3 Tom was to keep track of all the paperwork, and
4 then he was, decision was when he signed a hedge, we
5 hedged, and all that with the books and all that. That
6 was Denis' decision to hedge.

7 Q. Okay. Are you saying that this is a different
8 kind of decision-making process that occurred in the, as
9 opposed to that which occurred to in the context of the
10 contracts with Asarco and Southwire Wire, where you
11 characterized it as like a team effort?

12 MR. KELLER: Well, I think that mischaracterizes
13 the testimony in the first place. In the second place, I
14 don't understand the question. So I object to it on that
15 basis, but --

16 Q. (By Mr. Froelich) I suppose it's up to the
17 witness whether he understands the question.

18 A. Would you say it again, please?

19 Q. We had talked about the decisions of the company
20 made with respect to a contract to sell products like the
21 Asarco contract?

22 A. Right.

23 Q. And you said that you were the front man on
24 that?

25 A. Right.

1 Q. You went on to say that the decisions that were
2 made were really made in a team way, where you would
3 discuss what, whatever decision needed to be made with
4 Mr. Feron, Mr. McRaven, and together you would make a
5 decision about it?

6 A. Yeah. But Mr. Feron made that decision. I'll
7 clear that up. When we do business with Asarco, he made
8 the decision that we would go with Asarco.

9 Q. Okay. At the same time, though, did he make
10 decisions without getting your input, on, say, an Asarco
11 contract?

12 A. Not on the Asarco contract. He did not make a
13 decision on that without getting my input.

14 Q. Okay. And how about on like a Southwire
15 contract?

16 A. Oh, I don't know. On the what?

17 Q. Southwire.

18 A. Yeah. Not without my input.

19 Q. Okay. In this, in this commodities futures
20 trading activity that occurred --

21 A. Right.

22 Q. There was the same kind of -- was there the same
23 kind of discussion that occurred, where you would, where
24 you would provide certain information, and Mr. McRaven
25 would provide certain information, and then ultimately

1 Mr. Feron would make a decision?

2 A. Right.

3 Q. And that's --

4 A. Yeah. He would ultimately make the decision on
5 the --

6 Q. Was there normally, would he have made a
7 decision without getting your input as to what kind of a
8 hedge to do?

9 A. That could be.

10 Q. Okay. Do you know whether that was, whether
11 that happened, or are you saying -- Is the reason you say
12 that is because you know it happened, or because anything
13 can happen because he was calling the shots?

14 A. Well --

15 MR. KELLER: Objection to the form of the
16 question. It's about three questions at once.

17 Q. (By Mr. Froelich) All right. Well, do you
18 understand?

19 MR. KELLER: The form of the question is
20 improper.

21 Q. (By Mr. Froelich) All right.

22 MR. KELLER: You can rephrase it.

23 Q. (By Mr. Froelich) Or he can answer it.

24 A. The hedging --

25 MR. KELLER: He is not, he is not obligated to

1 answer a multiple question.

2 MR. FROELICH: I think that the answer can go
3 forward; the objection has been stated. The problem would
4 be if I was to bring it up at some kind of later
5 proceeding, then the objection would be -- we don't know
6 what the answer is. It's my business to try to recast the
7 question. But he can still answer it. That's not a basis
8 for instructing him not to answer.

9 A. It's very simple. Asarco and the Southwire was
10 one time, you did it every three years.

11 Q. Yes.

12 A. So I can remember that, doing that. Can't
13 remember all the times that you would have to do something
14 else on the commodity trading. That's a more dynamic type
15 of work.

16 Q. But you do remember, or you know for a fact,
17 that you did discuss hedging decisions with him in
18 connection with some commodities trading?

19 A. No. What I do remember is that we would notify
20 him, I would notify him on how much material we bought,
21 and periodically he would ask me what I felt like the
22 scrap dealers were thinking of the market. How was
23 availability? Would we be able to buy more this month and
24 things like that. And that's it.

25 Q. How was that information given to him? By your

1 telling it to him, by report, or how?

2 A. Most of the time, verbally.

3 Q. Okay. And then would he ask you what your view
4 was on what he should do after that?

5 A. I can't remember. I mean sometimes, I guess.
6 And I don't remember exactly.

7 Q. Are you saying it's possible, but you don't
8 know, or you don't remember at this point?

9 A. Pardon me?

10 Q. It's possible he did, but you just don't
11 remember; is that what you're saying?

12 A. It's possible he did, and I just don't remember.

13 Q. Okay. And how about Mr. McRaven, how would you
14 characterize his involvement in that process?

15 A. I would involve Tom as taking care of the
16 paperwork that's involved in it.

17 Q. Just a second.

18 Okay. Well, let me go to the next exhibit here,
19 Exhibit 3.

20 [Reporter marked Defendant's Exhibit 3.]

21 Q. (By Mr. Froelich) Mr. Suarez, this is another
22 document that was provided to me about a day or two ago,
23 CME03577 through 03582. You'll notice it's a very similar
24 document. It's just dated one year later, 5-17-84. From
25 the, you can just take a look at that. And I'm interested

1 again in the same section where it indicates who's
2 controlling the futures trading.

3 Q. Okay. At that same place it indicates that
4 you're the one controlling the futures trading. Would you
5 have the same response to this as you did with the other
6 document, that that's something of an exaggeration?

7 A. I would have the same response, yeah.

8 Q. Okay. In connection with any of the futures
9 trading that might have occurred during these two years,
10 would you have done anything like authorizing a margin
11 payment?

12 A. No.

13 Q. If you'd like, we can take a break.

14 A. No, I'm fine.

15 Q. Good.

16 Anyone else?

17 The -- some of what drives the ordering of my
18 questions is chronology, and some is by subject matter.
19 So it may seem to you I'm jumping back and forth. And
20 it's because of that tension, but just bear with me a
21 little bit, while I go through these questions.

22 What I'd like to show you next is Exhibit 4 to
23 the McRaven deposition. It's a letter dated May 22nd,
24 1987, from Southwire Company to you and Chemetco. If you
25 could just take a look at that.

1 A. Okay.

2 Q. Okay. In that letter -- I don't have it in
3 front of me, but it talks about a kind of, seems to me a
4 belief on the part of Southwire that there was a breach of
5 contract; is that a fair characterization of what they say
6 is going on?

7 A. Yeah. That's what --

8 MR. KELLER: I'll object to that because the
9 letter will speak for itself, but you can answer. Excuse
10 the objection.

11 Q. (By Mr. Froelich) Do you remember the events
12 that surrounded that letter, at all?

13 A. No.

14 Q. Do you remember that there was this event that
15 occurred, was it 4,000 tons of anodes; is that what it
16 said?

17 A. I don't remember.

18 Q. This was provided to me from the company itself.
19 Do you have any reason to think that this was, that this
20 didn't happen, this kind of a difficulty between Southwire
21 and Chemetco?

22 A. I believe I would remember if there was a severe
23 problem.

24 Q. Okay. Is that a problem that you might consider
25 severe in the context of that contract?

1 A. I don't remember the letter at all.

2 Q. Yeah. But would you consider it severe kind of
3 problem?

4 MR. KELLER: What problem? Can you clarify the
5 question?

6 Q. (By Mr. Froelich) Well, it seems to me that
7 Southwire has made a statement in there regarding what it
8 considers a breach of contract; is that right or wrong?

9 A. That's a statement there. The letter says, I
10 mean, the letter says that.

11 MR. KELLER: I would object to that. I think
12 that's a mischaracterization of the letter. Again, I
13 think that would echo what Mr. Keller said that the letter
14 does, in fact, speak for itself.

15 Q. (By Mr. Froelich) Okay. What I'm trying to get
16 at is, whether, what the letter speaks about would be in
17 your mind a severe problem?

18 A. Could be a problem. I mean, it would be a
19 problem. But I don't remember the letter at all, so --

20 Q. Okay. Well, in terms of the sales of Chemetco's
21 products, copper products, we'll talk about in 1987, who
22 would have been the bigger buyer at the time, Asarco, or
23 Southwire?

24 A. The biggest monthly buyer on the contracts would
25 be Asarco.

1 Q. Okay. Is there some reason why you emphasize
2 monthly in that statement?

3 A. Yeah. Because of the, of Asarco's tonnage was
4 much higher than Southwire's per month.

5 Q. Okay.

6 A. Was much higher. Asarco's contract, we have --
7 Asarco is much higher than Southwire's.

8 Q. Okay. Do you have -- Can you give me an
9 estimate of the proportion of product delivered to Asarco
10 versus Southwire?

11 A. I don't recall during that period.

12 Q. Okay. What I'd like to show next is Exhibit 1
13 to the Faulkner deposition. It is a contract that's
14 attached to a cover letter, dated April 9th, 1987,
15 addressed to Chemetco, Asarco, and I'm just wondering if
16 you can take a look at that, and let me know what you
17 think about it after I ask some questions.

18 Q. Okay. That is a, looks like it's attaching a
19 copy of a, I'll call a supply contract between Chemetco
20 and Asarco in the first couple months of 1987, I think, or
21 anyway ends around July of '87. It's an unsigned
22 contract.

23 Do you know whether or not that contract was
24 actually executed?

25 A. I don't understand the question, I mean, whether

1 the contract was signed or --

2 Q. Whether the, whether or not it was signed. I
3 mean, well, okay, do you know whether, in fact, that
4 contract was signed?

5 A. I don't remember.

6 Q. Okay. Do you know whether there was a contract
7 between Asarco and Southwire for, for delivery of copper
8 products along the lines of that contract?

9 MR. KELLER: Now, your question was a contract
10 between Asarco and Southwire.

11 Q. (By Mr. Froelich) I'm sorry, I'm sorry, Asarco
12 and Chemetco.

13 A. I don't, I don't recall these dates exactly.

14 Q. Yeah.

15 A. I mean, I, I just don't remember the dates.

16 Q. Okay. That's all right. There is a clause in
17 there about payment, I believe. Let me point it out to
18 you. Under paragraph 13, "purchase copper".

19 A. Okay.

20 Q. Is that a clause that you would recognize as
21 being one operative between Asarco and Chemetco during
22 1987, for delivery of copper products?

23 A. When you mean it's operative?

24 Q. Well, I only say that because I don't have a
25 signed contract here to say, hey here, here's the

1 contract, and here's the clause. I don't have that. So I
2 got to, I'm trying to get at that sort of information
3 another way, perhaps by your own --

4 A. Could you explain to me what you really want?
5 Simple.

6 Q. Well, did, was that the sort of pricing
7 arrangement that was between Chemetco and ASARCO during,
8 during '87, up until the end of fiscal year '87?

9 A. It could be. I don't know for sure.

10 Q. Okay. Let me show you what was marked as
11 Exhibit C during the Seibel deposition. It's a
12 consolidated financial statement for the company. For
13 fiscal years ending '87 and '86, and there's a, in the
14 notes part of it there's a section about sales. If you
15 could just read that.

16 A. Right here, sales?

17 Q. You can read it to yourself, yeah.

18 The payment provision there is that the
19 shipments are priced at the average price of copper two
20 months after the sale. It seems to be similar to the
21 payment clause that's, that I had you look at in this
22 unsigned contract, where it says that the -- you deduct a
23 point three unit and pay for 100 percent of the remaining
24 copper content at the Comex first position, average for
25 the month of delivery of the second calendar month

1 following the month of delivery product, et cetera.

2 We know -- I guess we know as a matter -- I
3 guess we know through this financial statement, that for
4 the months of August and September, this sort of payment
5 provision applied, at least according to this financial
6 statement.

7 Do you know about prior months, how that
8 payment provision was worked out?

9 A. Sorry, no.

10 Q. Okay. Do you have a basis for saying it wasn't
11 that way, or you just have no way of saying either way?

12 A. I have no way of saying either way.

13 Q. Okay. Aside from Southwire and Asarco as
14 customers of Chemetco in '87, were you involved with other
15 contracts, other customers for Chemetco's products?

16 A. I don't recall.

17 Q. Okay. Seems to me there's been some information
18 about possible lead contracts that were, at least
19 negotiated between Chemetco and some other companies.
20 I think Mr. Feron said that in a deposition. Do you have
21 any knowledge about that?

22 A. I don't recall, recall that.

23 Q. Okay. He had said that there were at least two
24 long-term supply contracts of the lead product, the solder
25 pigs sometime around mid '87, that were negotiated and

1 then fell through at the last minute. Do you remember
2 anything like that happening?

3 A. No, I don't remember.

4 Q. Given your position in the company, would that
5 have been something that you might have been involved
6 with?

7 A. Yes.

8 Q. There's also been some discussion about a
9 warehouse collection system that was being developed by
10 the company in the eighties. Can you tell me to what
11 extent it was developed in 1987?

12 A. I'm sorry, I really, 1987, I can't recall the
13 year, how it was developed in '87. I don't know.

14 Q. Okay. Did you have any involvement in the
15 development of that program?

16 A. Yes.

17 Q. Okay. What was that involvement?

18 A. Oh, I've more or less spearheaded the
19 development of the warehouse system.

20 Q. Okay. And what was your purpose in doing that?

21 A. The purpose of the warehouse system was the
22 procurement of scrap, and have more of a reliable feed by
23 going deeper into the market.

24 Q. When you say deeper, you mean closer to the
25 supplier?

1 A. Yeah, closer to the source.

2 Q. Okay. And did that start prior to '87, do you
3 know?

4 A. I don't remember.

5 Q. I'm trying to -- I mean, one of the divides in
6 terms of time is this tolling arrangement between Chemetco
7 and Concorde happening around the end of the fiscal year
8 of '87. Using that as a divide, can you describe prior to
9 that anything about this warehouse collection system?

10 A. I cannot remember that with any kind of accuracy
11 that I would wish to say.

12 Q. Okay. Were there some warehouses in operation
13 at that point?

14 A. Again, unless I researched documents, I don't
15 remember.

16 Q. I just want to go back for a second to Exhibit 3
17 in this deposition. There are a number of brokers that
18 are identified in that submission to the CFTC, what I
19 understand to be that's a submission. Do you have any
20 knowledge about the, whether, in fact, a particular broker
21 was used in that year, I think that was 1984, or not?

22 A. No.

23 Q. Okay. As for the period in the -- well, let me
24 just ask you a general question then. In the 1980's, what
25 knowledge do you have of any particular broker that was

1 used by Chemetco?

2 A. No recall.

3 Q. None. Okay. Do you remember if there were any
4 discussions that you might have had with Mr. Feron, or
5 anyone else in the company for that matter, about whether
6 to choose one broker over another?

7 A. Oh, absolutely not.

8 Q. Okay. Do you think that sort of discussion took
9 place?

10 A. Not to my knowledge. I don't know.

11 Q. Okay. The case that is here today involves a
12 series of trades or transactions with, with or through a
13 company called Gourlay Wolff & Company, Ltd. in London.
14 I'm going to ask you a, I guess, a couple of questions
15 about that company. Of course, if you don't have a memory
16 or knowledge about it, then you don't. But I think I'll
17 begin the questioning through showing you another exhibit
18 that was recently provided. Well, the document was
19 recently provided to me, and this would be Exhibit 4.

20 [Reporter marked Defendant's Exhibit 4.]

21 Q. (By Mr. Froelich) Okay. This is exhibit
22 bearing a number CME03357 through 03361. And just ask you
23 if you know what this is, what this exhibit is?

24 Okay. Have you ever seen that exhibit prior to
25 today?

1 A. Not to my knowledge, no, never seen this.

2 Q. Okay. Do you remember, do you remember at that
3 time, that is, around April of 1995, in Chemetco, did you
4 have knowledge that the company decided to enter into a
5 trading agreement with the company called, with a
6 brokerage firm called Gourlay Wolff & Company, Ltd.?

7 A. I was just thinking how poor my memory is now.
8 Would you repeat that again, because I was thinking how
9 poorly I'm remembering, but go ahead.

10 Q. It's all right. I'll try and phrase things not
11 in terms of memory, but if you know, instead of remember.

12 A. All right.

13 Q. Do you know, did you know at the time around
14 April of '85, that the company had entered into such an
15 agreement with Gourlay Wolff & Company?

16 A. No, I wouldn't know. I don't think so.

17 Q. Okay. Would you -- at that time in '85, you
18 would have been with the operations manager of the
19 company?

20 A. '85, I was, I was moving more into the
21 commercial.

22 Q. Okay. And that was in terms of buying scrap?

23 A. Buying scrap.

24 Q. Okay. And were you also -- we talked a little
25 earlier about giving input as to hedging decisions?

1 A. Yeah, uh-huh.

2 Q. Were you also in '85 -- was that part of your
3 job at that time?

4 A. That was part of my job to, responsible for
5 purchasing of the scrap. I believe that's -- so, that
6 alone would give how much we bought, which turns into how
7 much to hedge, or what to hedge, whatever.

8 Q. Okay. And so with that as a context, do you
9 think you, you -- Well, I'm trying to remember your answer
10 to the question about whether you knew that this happened
11 at the time?

12 A. I don't remember this happening. I mean, --

13 Q. Okay. You don't remember someone coming to you
14 and saying, hey, we're going to go with this company?

15 A. It wasn't a big deal for my work, I mean, I --
16 that wasn't nothing for me.

17 Q. Okay. In terms of giving some information to
18 someone that might have wanted to trade with, through
19 Gourlay Wolff for purposes of hedging at that time, did
20 someone come to you and say, hey, I need some information
21 about our scrap needs, or scrap position, because I'm
22 going to be doing some trading with Gourlay Wolff? Did
23 that sort of thing happen?

24 A. I, I find it hard to believe that any single
25 person would have been singled out as -- the question,

1 more or less, should have been, would have been, how much
2 have you bought? That's end of story. I mean, whoever
3 sells it, sells it. I couldn't care less if it was sold
4 to Hutton at that time, or Lynch, or whoever.

5 Q. Okay. I mean, I understand from your position
6 perhaps why --

7 A. Right.

8 Q. It may not matter who the broker is. But I
9 guess the question here would be -- Well, was it the case
10 that someone came to you at that, around that time to ask
11 you for information about the scrap position of the
12 company for purposes of hedging?

13 A. I would guess. I would think that.

14 Q. You think that happened. But you, what you're
15 saying is, that you don't remember at this point whether
16 it was specifically for doing trading with Gourlay Wolff?

17 A. Never would have remembered that. I mean, it
18 wouldn't have mattered.

19 Q. Okay. Well, let's go on to the next exhibit
20 then.

21 A. Can I just put these all over here?

22 Q. Yeah, that's fine. This will be Exhibit 5.

23 [Reporter marked Defendant's Exhibit 5.]

24 Q. (By Mr. Froelich) I'm going to hand you Exhibit
25 5. It's what is the, another client trading agreement

1 form with some information filled out.

2 Mr. Suarez, that's a document that was provided
3 to the government. And as the client trading agreement
4 through which the transactions in this case were effected.

5 There are three names on the front page
6 indicated as people authorized to trade. There is a D.
7 Feron, a J. Suarez, and a T. McRaven.

8 A. Okay.

9 Q. I'm assuming the J. Suarez would be you?

10 A. Yes. I guess.

11 Q. Okay. There are three signatures at the bottom
12 of the front page. Do you see those three signatures?

13 A. Yes.

14 Q. Okay. Is there a signature there that's yours?

15 A. No.

16 Q. Okay. Whose signatures are there?

17 A. Well, I'm not sure. I can't -- I'd be guessing.
18 I don't know.

19 Q. Okay. But you're sure not one of those
20 signatures is yours?

21 A. I'm damn sure.

22 Q. Okay. On the last, well, second to last page of
23 this trading agreement, there are, you see three
24 signatures there again?

25 A. This page here?

1 Q. Yeah, that page there.

2 A. These here? [Indicating.]

3 Q. Yeah. The signatures there. Are any of those
4 signatures yours?

5 A. No.

6 Q. Do you recognize the Tom McRaven signature?

7 A. No, I don't -- That might be Tom's. I can't
8 remember, I haven't seen it in a long time.

9 Q. That first one there?

10 A. I don't remember. I don't know.

11 Q. How about Denis Feron, do you recognize --

12 A. Huh-uh.

13 Q. That signature?

14 A. No.

15 Q. Okay.

16 A. I don't recognize it.

17 Q. Okay. It is at least spelled out, someone hand
18 wrote in J. Suarez as someone authorized to trade?

19 A. Yeah.

20 Q. And there is a date on this trading agreement
21 of, I think it's November of '86?

22 A. Right.

23 Q. Do you remember this at that time, this trading
24 agreement having been signed, and this information having
25 been filled out in this way?

1 A. No.

2 Q. Did you know that it had happened?

3 A. I don't remember.

4 Q. Okay. Did you know that you were authorized to
5 trade, by way of this agreement, with Gourlay Wolff &
6 Company in any way, either by looking at this, or any
7 other means?

8 A. No.

9 Q. Okay. Just one second.

10 Had you ever seen that document prior to coming
11 here today?

12 A. I don't know.

13 MR. FROELICH: Okay. Let's mark this as Exhibit
14 6.

15 [Reporter marked Defendant's Exhibit 6.]

16 Q. (By Mr. Froelich) This was another document
17 provided to me recently, Mr. Suarez, CME03263. If you
18 could just take a look at that for a second.

19 A. Uh-huh.

20 Q. Is that your signature?

21 A. That's my signature.

22 Q. Okay.

23 A. I have the oldest St. Louis signature, not one
24 of these fancy ones.

25 MR. KELLER: Do you mind maybe a five minute

1 break when you're finished with this line? I had too much
2 ice tea for lunch.

3 MR. FROELICH: I'd have no problem. We can take
4 a break right now.

5 MR. KELLER: Quickly.

6 [Whereupon, there was a short recess.]

7 Q. (By Mr. Froelich) During 1987, in Chemetco,
8 were you aware that trading, that transactions were being
9 carried out through Gourlay Wolff & Company, Ltd.?

10 A. During 1987? Will you repeat that again?

11 Q. Yeah. During 1987, were you aware that Chemetco
12 was carrying out transactions through Gourlay Wolff &
13 Company, Ltd.?

14 A. I think so.

15 Q. You think so?

16 A. Yeah.

17 Q. What the basis --

18 A. I don't totally recall.

19 Q. Well, what's the basis of your saying you think
20 so?

21 A. I remember that we were trading transactions
22 going on. I remember that. But whether or not they were
23 with Gourlay Wolff or not, I don't know specifically that
24 it was with Gourlay Wolff.

25 Q. Okay.

1 A. But I do remember that we were, like every year
2 doing some trading transactions.

3 Q. Okay. And what is it that you remember about
4 it? Or how is it that you knew that this was going on in
5 1987?

6 A. Well, probably I'm remembering, because I know
7 when we, when I bought the company in '93. I remember the
8 tax liabilities from trading transactions in '87.

9 Q. Oh, okay.

10 A. That's making me remember more. The other
11 things, I can't remember.

12 Q. Okay.

13 A. If you can figure that logic out.

14 Q. I --

15 A. Subliminal, I'm knowing I'm remember it, because
16 it's hard for me to say not to remember when I've seen
17 that, I've seen those transactions, or I've heard -- that
18 was one of the reasons liabilities that we were hedging,
19 and all that. But that's why subliminal remembering, but
20 I don't remember exactly the transaction, or anything like
21 that.

22 Q. Okay. So, I mean --

23 A. You're making me feel guilty not remembering.
24 So, it gets -- I'm an old Catholic boy, so I'm
25 trying -- Why don't you reask that question, and we can

1 start all over.

2 Q. You'll have a period at the end of the
3 deposition to say, for all the things I don't remember,
4 I'm sorry.

5 A. Okay. All right. I'll do that then.

6 Q. But I can't give you absolution, I'm sorry about
7 that.

8 A. Thank you.

9 Q. So there was a period in or around 1993, where
10 the company, where you bought the company?

11 A. Right.

12 Q. And that was the subject matter of that, those
13 purchasing negotiations, this tax liability, the tax
14 liability relating to this case? I mean, that was
15 something that you do remember, that that, that 1993 time
16 frame?

17 A. Yeah. There was a tax investigation going on.

18 Q. Right.

19 A. Involving transactions.

20 Q. Okay. So I understand your memory of that, and
21 how it's remembered. You're saying that that, because you
22 had that 1993 re -- you had to revisit that, that event,
23 or events, that you now remember that you did know about
24 it when it was going on in 1987?

25 A. I think I know about it, but I can't say for

1 sure. The best answer would be, I just cannot really
2 recall anything that long ago.

3 Q. Okay.

4 A. To be exact.

5 Q. Okay. Well, what can you tell me about the
6 trading that went on in 1987 with Gourlay Wolff? What can
7 you tell me?

8 A. Everytime I think of that, I'm just thinking
9 back to the 1993 situation. I can't, I can't picture it
10 being in an office. I can't think of talking to anybody
11 about it. I can't think of it coming up. I just can't
12 think of putting myself back in that time zone. I cannot
13 think of it.

14 Q. Okay. We just looked at a trading agreement
15 where your name was listed as someone authorized to trade.
16 Do you know whether or not you, in fact, did a trade on
17 behalf of the company with Gourlay Wolff in 1987?

18 A. Again, I, I doubt it. I don't think I did.
19 I don't -- I'm sure I didn't. But I can't remember
20 exactly everything that was going on during that period.

21 Q. Is there anything that you can say with
22 certainty about maybe who would have done the trades?

23 A. Deni did the trades.

24 Q. You're certain of that?

25 A. No, I'm not certain of that. I'm certain he got

1 the information. Whether he's the one that did the
2 trades, I'm not sure. But he made the -- had never made a
3 phone call in front of me, or anything like that.

4 Q. Okay. Do you know whether the broker called
5 from London in 1987?

6 A. I don't know. He never called me.

7 Q. Okay. Do you know who the Chemetco dealt with
8 in the brokerage firm, to do any kinds of trades it might
9 have done?

10 A. No.

11 Q. Okay. Just some information about trading
12 documents having come to the company by mail. Do you have
13 any knowledge of that?

14 A. I don't understand. What trading documents?

15 Q. For instance, a document that says "confirmation
16 of contract," that shows the broker telling the customer
17 that this contract was placed for him?

18 A. Oh.

19 Q. I can show you an example.

20 A. A confirmation sheet or something?

21 Q. Yeah. Do you have knowledge of that, that those
22 sorts of documents came to Chemetco by mail in 1987?

23 A. I don't know.

24 Q. Okay. Do you know, do you have any knowledge of
25 the company making any sort of evaluation of the

1 performance of Gourlay Wolff in 1987?

2 A. No.

3 Q. Okay. Do you have any knowledge of any other
4 broker that the company would have evaluated in terms of
5 its service to the company?

6 A. I don't recall any evaluation of brokers.

7 Q. Okay. Do you know -- Do you have any knowledge
8 of whether, around the time of the signing of this
9 agreement or thereafter, there was a discussion with the
10 broker about margin, and percentage of margin payments?

11 A. No.

12 Q. Do you think you would have been involved --

13 A. No.

14 Q. -- in that sort of conversation?

15 A. No.

16 Q. How about payment of commissions, whether there
17 was any kind of discussion about that with the, with the
18 broker?

19 A. Payment of commissions?

20 Q. Yeah, in terms of percentage of commission to
21 brokers.

22 A. To the brokers?

23 Q. Yeah.

24 A. No.

25 Q. Part of this case involves the transfer of money

1 from Chemetco to a bank account in London that the broker
2 maintained. There were three separate transactions. The
3 first one was 450,000 pounds in September of '87.

4 Do you have any knowledge of that having
5 happened in 1987?

6 A. I don't remember anything like that, sorry.

7 Q. Would you have been in a position to know about
8 such a large amount of money having been transferred at
9 that time?

10 A. What do you mean, would I be in a position to
11 know?

12 Q. Well, I guess I'm trying to get at -- I know
13 that you were in charge of operations at that time?

14 A. Yeah.

15 Q. You were also involved in commercial, commercial
16 business, in terms of, --

17 A. Right.

18 Q. -- in getting scrap material?

19 A. Right.

20 Q. You oversaw, or helped administer Asarco
21 contracts, Southwire contracts. Was there -- Was your
22 position of such a nature -- Well, I mean here on this
23 trading agreement it indicates that you were vice
24 president, whether or not you felt you were or not, was
25 your position of such a nature that you would have been

1 aware of that kind of transfer of money from the company's
2 bank account to a London account?

3 A. No.

4 Q. Was it of such a nature that someone would have
5 come to you, to either get authorization for it, or just
6 to inform you of it?

7 A. No. No authorization.

8 Q. Okay. And I guess I am asking the same
9 question, just in a different way. Do you think that
10 someone would have come to you to tell you, hey, this
11 money was transferred to London?

12 A. No. Because I wasn't involved in any cash flow,
13 or things like that.

14 Q. Did you ever have conversations with Denis Feron
15 about payments being made to the London broker?

16 A. Not to my knowledge.

17 Q. Okay. And did you have any involvement in
18 confirming that a certain amount that the broker might
19 have asked for to be paid, was, say, the right amount, or
20 was really owed, or something like that?

21 A. No.

22 Q. Do you know whether there had been established
23 any kind of credit limit that the company had with Gourlay
24 Wolff?

25 A. No, sir.

1 Q. Okay. This case involves a series of trades,
2 both in lead and copper. And there's some materiality as
3 to the timing and the amount of those trades, and when
4 they were opened and when they were closed.

5 Are you in a position to give any sort of
6 information about why those trades were done at the time
7 they were done?

8 I can show you a sheet, and show you, you know,
9 the timing, and the amounts, and that sort of thing, if
10 you'd like. And that might be, help you to give an answer
11 to my question.

12 Maybe I can just go ahead.

13 This is identified as Deposition Exhibit 14 in
14 the McRaven deposition, and it was used to talk about the
15 different trades that I represented at that time; that it
16 laid out the essentials of the different trades, and the
17 timing, and the tonnage, and the price, and that sort of
18 thing.

19 If you could just take a look at that. It's
20 divided between lead and copper, with lead being at the
21 top.

22 A. Oh, I see. These are the actual bulletins of
23 the trades here.

24 Q. Right. Those are the opening and closing
25 positions.

1 A. Okay. I understand. Okay.

2 Q. So this is a large part about what the case is
3 about.

4 The second page shows the rolling forward of two
5 smaller lot copper contracts, which don't have as much --
6 well, they're, in terms of dollar amount, they're a lot
7 smaller.

8 A. Okay.

9 Q. On this first page, for instance --

10 A. Here.

11 Q. -- there are several lead positions, open and
12 closed. Can you give any information about the reason why
13 the first lead position was open?

14 A. No, I can't.

15 Q. Okay.

16 A. I can't give any.

17 Q. Okay. How about for any of those opening and
18 closing positions for lead, can you give any information
19 about that?

20 A. No way, I can't.

21 Q. Okay. Is that primarily because you don't
22 remember, or because you wouldn't, you're not the one who
23 was involved in that?

24 A. For sure, I can't remember.

25 Q. Yeah.

1 A. I mean, because you can't remember something
2 like that.

3 Q. You don't think you could remember something
4 like that?

5 A. Open and closed on things like that?

6 Q. Yeah.

7 A. No way.

8 Q. Why not?

9 A. It's a long time ago. You know, I mean you buy
10 and sell everyday, you know. I couldn't remember,
11 couldn't remember those. I couldn't. So whether I was
12 involved in this or not, sorry. If you had another
13 question --

14 Q. Well, yeah. In other words, to what extent?
15 I mean, perhaps another reason for your not having
16 information is you weren't that involved in this trading
17 activity.

18 I don't know if -- I don't know to what extent
19 that's true, but I mean -- I guess I've asked the question
20 in different ways, to what extent you've been involved in
21 this trading activity, but here in terms of particular
22 trades, I guess I could ask you particularly whether, if
23 you have information about the extent of your
24 participation in, say, these particular lead trades?

25 A. No. I, I can't remember any kind of
26

1 participation, and I couldn't remember any of these
2 trades.

3 Q. Okay. If we talk about the copper trades, you
4 have the same --

5 A. It would be the same answer.

6 Q. Okay. And then if we focus at the very last
7 one, which is a -- the very last trade, copper trade, at
8 the bottom of the page. It's a hundred lots of copper,
9 which is, I think, about 2500 tons?

10 A. Right.

11 Q. It's the biggest opening and closing position
12 there among all of them. Do you have any knowledge about
13 why that position was opened up, and then closed out at
14 that time?

15 A. No, I don't. No.

16 Q. Okay. Thanks for looking at it.

17 A. Uh-huh.

18 Q. Let's move on to a slightly different subject
19 that would be relating to this tolling contract between
20 Chemetco and Concorde.

21 A. Oh.

22 Q. This was marked as Exhibit F in the Seibel
23 deposition that we took yesterday. Just take a moment to
24 look at that.

25 A. Okay.

1 Q. Okay. Is that the tolling contract between
2 Chemetco and Concorde?

3 A. Yes.

4 Q. Okay. Did you participate in the negotiation of
5 that contract?

6 A. Yes.

7 Q. Okay. Can you describe what sort of
8 negotiations occurred, in terms of when, and, you know,
9 what were particular terms that might have been dickered
10 about?

11 MR. KELLER: You mean items other than those
12 that are identified in the document itself?

13 MR. FROELICH: I would mean both, if those that
14 perhaps fell out, or those that came in. I'm trying to
15 get at the nature of the negotiations.

16 A. What do you mean by the nature of them?

17 Q. (By Mr. Froelich) Well, first of all, the time
18 that they occurred. What sort of timing could you put to
19 the discussions that the parties had prior to the actual
20 signing of the contract?

21 A. There was a lot of discussions about people, and
22 who goes where, and insurance plans. And so there is a
23 lot of work involved.

24 Q. Okay. Who are the principal parties, principal
25 persons on both sides, through which this agreement was

1 finalized?

2 A. I'm sorry?

3 Q. Well, I mean a company might have, you know, 10
4 people working and thinking about the contract, and the
5 other one might have 10 people.

6 Was there anyone on either side that was the
7 person who made decisions about how to negotiate, or what
8 terms they really wanted, or --

9 A. Well, I was involved a lot in this, this split
10 up of that.

11 Q. I know that's your signature at the end; right?

12 A. Let's check.

13 Q. Okay.

14 A. Yeah, that one's me.

15 Q. Okay. And then the other person signing?

16 A. It's Dave Hoff, Dave Hoff.

17 Q. On behalf of which company?

18 A. He was president of Chemetco.

19 Q. And you're signing on behalf of --

20 A. I think that's Dave; isn't it? I don't -- I
21 can't remember that very well.

22 MR. KELLER: Well, there are two signatures on
23 that document. One is to the amendment, and the other is
24 there.

25 A. Yeah, that's Dave's.

1 Q. (By Mr. Froelich) Let's just look at the one
2 that's to the original contract there.

3 A. Okay.

4 Q. That's your signature?

5 A. That is my signature.

6 Q. You're signing on behalf of which company?

7 A. Concorde.

8 Q. And who's signing on behalf of Chemetco?

9 A. Dave Hoff.

10 Q. Why are you signing on behalf of Concorde?

11 A. Because I left Chemetco to become the president
12 of Concorde, and start Concorde.

13 Q. Okay. When did you leave Chemetco?

14 A. I think in '87.

15 Q. Okay. Who was the prior president of Concorde?

16 A. I don't believe there was a prior president.

17 Q. Why do you say that?

18 A. Because I think I was the first president of
19 Concorde. Oh, no, no. Concorde was -- we used Concorde
20 from Baltimore, that name Concorde to start this. So Pat
21 must have been the first president. I don't know. I
22 don't remember.

23 Q. There is a Concorde --

24 A. I don't remember those things.

25 Q. There is a Concorde Trading Company working out

1 of Baltimore?

2 A. Yeah.

3 Q. Okay. And that was Pat Feron?

4 A. Yeah.

5 Q. Who you think is the president of that?

6 A. Yeah. And when we started to put them all
7 together, we used this as the, all the different scrap
8 yards for the trading. We started putting -- used the
9 name Concorde, because we already had that name.

10 Q. Okay. Who purchased you --

11 A. And we wanted to be Concorde because of the
12 airplane, we thought we would fly high and fast.

13 Q. Okay. Who approached you to be president of
14 Concorde Trading?

15 A. I don't remember. I don't remember all of the
16 structure and all that.

17 Q. When would you say the, that agreement there was
18 reached in principal, rather than as opposed to actually
19 having been signed? When would you say that the pertinent
20 parties reached the agreement in principal?

21 A. You mean like when did they agree to it? The
22 night before, and waited two weeks to sign it, or
23 something like that?

24 Q. Or just work out the details. I don't know --
25 Sometimes --

1 A. Oh, I don't remember. I don't remember that.

2 Q. The other day, or yesterday, Mr. Seibel said
3 that he -- there was an announcement, or not an
4 announcement, but he learned from another employee that
5 this was going to happen some 10 days before the end of
6 the fiscal year '87 for Chemetco.

7 Does that seem right to you?

8 A. Yeah. It's 30th here.

9 Q. Right. He said he learned from another employee
10 that this agreement was going to take place, or this
11 change, some 10 days before that. Does that seem, does
12 that seem right to you?

13 A. Oh, yeah. You didn't go from one to the other
14 on that day.

15 Q. Right, right. Can you give me an idea of --

16 A. The planning, and all that?

17 Q. Well, I guess if what he says is right, and
18 there was some point at which someone felt that other
19 employees could know, that employees at Chemetco could
20 know, so they could plan, or do whatever they wanted to
21 do?

22 A. Right.

23 Q. And Mr. Seibel thinks somewhere around September
24 20th, that would have happened. Can you give an idea of
25 when you think the companies felt it was appropriate to

1 tell the employees that this was going to happen?

2 A. Well, we had to tell the employees. And we also
3 had to tell the customers.

4 Q. Correct. Correct.

5 A. So I don't remember if we did it a month before,
6 a month after, or what. But all of that had to be done in
7 that, that period of time, be it a month, or two months.
8 I don't recall the time frame when, what we did.

9 I can't -- I don't recall whether or not we
10 started on February the 12th, in the meeting we took notes
11 and all that stuff, and organized all this; that I don't
12 remember. I don't recall that.

13 Q. Okay. Do you think that at the first meeting
14 that would have happened about this, or the first
15 discussions could happen in September 1st of '87?

16 A. The very first discussions?

17 Q. Yeah.

18 A. The first official discussions, maybe. I don't
19 recall.

20 Q. Well, who, who owned Concorde Trading?

21 A. I don't remember now.

22 Q. Was it Patrick Feron?

23 A. I, I don't -- It's all -- There's papers that
24 say who owned it. I don't remember who it is.

25 Q. I mean, I don't have them in front of me.

1 A. And I don't remember.

2 Q. Michel Feron?

3 A. I don't remember.

4 Q. I think it -- Well, you know a company, P.E.
5 Services, Incorporated?

6 A. Yes. P.E. Services owned it.

7 Q. Okay.

8 A. Yes, I remember now.

9 Q. All right. See, you did know.

10 A. Yeah, I just remembered. You can help me.

11 Q. Yeah, yeah. Why did this come about, this
12 tolling arrangement?

13 A. My opinion -- Oh, the tolling arrangement?

14 Q. Well, this contract. I'm considering it the
15 same thing.

16 A. It was my opinion that we wanted to develop more
17 into the commercial business. And, when you -- we had --
18 you have an organization, and you have two distinct
19 cultures, you have cultures of the scrap guys, or the
20 traders and all that kind of thing, and then you got the
21 culture of a crane operator.

22 We were trying to grow and trying to mesh those
23 cultures with labor rate, the pay schedules, work habits
24 and all that kinds of thing. And we thought it would be
25 best to try to keep the plant as a plant, and go forward

1 with the commercial business, extend it, and with more
2 warehouses and more trading. And so, that was our
3 original idea.

4 Q. And Concorde Trading was a company suited to do
5 that, or it was a convenient vehicle, or what did it have
6 to bring to the table?

7 A. Well, Concorde Trading took mostly -- what we
8 did was take mostly the commercial side of Chemetco and
9 put it in there, so, it was --

10 Q. Okay.

11 A. It was more or less drawing a line in a field.

12 Q. Okay. Okay. In that agreement, in the, I think
13 it's like the fifth or so whereas clause on the front
14 page, it talks about an arrangement having been
15 negotiated, or some kind of contract having been
16 negotiated with Asarco. Is that what it says there?

17 A. Yes.

18 Q. Okay. Are you familiar with that, that
19 negotiation with Asarco?

20 A. Yes.

21 Q. Can you describe a little bit about when that
22 might have happened, those negotiations?

23 A. Has to be in that -- has to be in that period.
24 I don't know. I don't remember when. I don't remember
25 when exactly when we started negotiating, or had

1 contracts, you got this Asarco contract.

2 Q. I'll go ahead and give you the contracts.

3 Yeah, it doesn't have a lot of information about
4 negotiations, but I'll go ahead and use it. This would
5 be, I guess, Exhibit 7; is that right?

6 [Reporter marked Defendant's Exhibit 7.]

7 Q. (By Mr. Froelich) This would have been Exhibit
8 7, an agreement, number C87031, between Concorde Trading
9 and Asarco, Incorporated, dated October 1, 1987.

10 You can just take a second to look through that.

11 A. October 1 and September 30th, right.

12 Q. I think that's what that agreement was?

13 A. Yeah. Okay.

14 Q. Is that the contract that the -- that Exhibit F
15 is referring to?

16 A. Yes.

17 Q. Okay. And were you the person to represent
18 Concorde in the negotiations for that contract?

19 A. I'm -- I negotiated the contracts with Asarco.

20 Q. Are you talking about you in the prior
21 contracts, or just this one?

22 A. This one.

23 Q. Okay. Okay. And as far as when that started,
24 do you know when those negotiations --

25 A. I don't recall that. I don't remember exactly

1 when the negotiations started on this. But this is my
2 contract I negotiated.

3 Q. Okay. May I see that.

4 The payment mechanism here is defined under, for
5 copper, under paragraph 13. It says here, "deduct point
6 three unit from the electrolytic copper assay of product
7 and pay for 100 percent of the remaining copper content at
8 the Comex first position, average for the quotation
9 period."

10 And then it goes on to talk about the
11 quotational period being either the calendar month of
12 constructive delivery, or the second calendar month
13 following the month of constructive delivery for each
14 respected metal.

15 Do you know whether that was kind of a standard
16 way of payment for copper anodes in the industry at that
17 time?

18 A. It's a standard method. There is no such thing
19 as a standard method in the industry. Everyone has their
20 own quirks. At this time it was standard for Asarco.

21 Q. For Asarco, okay.

22 A. Yeah.

23 Q. Okay. I guess we can move on to some questions
24 about the sale of Chemetco to Pioneer Metals,
25 Incorporated. And just to give some context to that,

1 we've got an exhibit. That was marked Exhibit 4 in the
2 Faulkner deposition.

3 A. Okay. I got two there.

4 Q. I'm sorry. It would be Exhibit 4.

5 A. This?

6 Q. Yeah, that one.

7 A. If this is the purchase agreement --

8 Q. Yeah. I mean, I think that's right.

9 A. Okay.

10 Q. Okay. Let me ask you then just what is that?
11 What is that document?

12 A. I'm sorry. Let me make sure. Yes, that's the
13 purchase agreement of Chemetco, purchase of Chemetco by
14 Pioneer Metals.

15 Q. Okay. Okay. At the time Chemetco was owned by
16 Mississippi Processing, Incorporated?

17 A. Yeah. That's who, that's who Pioneer bought it
18 from, is Mississippi Processing.

19 Q. Okay. And you're looking at the last page there
20 where we've got the signatures of the --

21 A. Yeah.

22 Q. -- different parties?

23 A. Uh-huh.

24 Q. Do you see how there is a signature there on
25 behalf of Mississippi Processing by Sofigepar?

1 A. Yeah.

2 Q. Do you see that?

3 A. Yeah.

4 Q. Do you know why that's there?

5 A. I have no clue.

6 Q. Okay. Do you know -- Did you know at the time
7 that Sofigepar owned Mississippi Processing?

8 A. No. No, not to my knowledge. I don't remember.
9 I don't recall.

10 Q. Okay. May I see?

11 A. Yeah.

12 Q. Okay. And that signature is there on behalf of
13 Pioneer Metals, is Mr. Flynn?

14 A. Yes.

15 Q. Yes. Okay. Did you own Pioneer Metals?

16 A. Yeah.

17 Q. Okay. Now I guess currently Chemetco is owned
18 by Pioneer Metals; is that right?

19 A. Yes.

20 Q. Why were you interested in -- or rather, let me
21 back up here. There are a number of little signatures at
22 the bottom of each page, little initials?

23 A. Yeah.

24 Q. Do you see those?

25 A. Yes.

1 Q. Do you recognize any of those?

2 A. No.

3 Q. None of those are yours?

4 A. No, they're not mine.

5 Q. Okay.

6 A. Let me look again. They're initials, aren't
7 they?

8 Q. They're initials.

9 A. No, they're not mine, definitely not.

10 Q. Okay. Why were you interested in buying
11 Chemetco?

12 A. Why was I interested in buying Chemetco?

13 Q. Yeah.

14 A. You got an hour? No. I didn't think it was
15 that important of a question.

16 Q. Well, there are a lot of whereas clauses in
17 there, whereas this and that?

18 A. It was --

19 Q. Was it more you wanted to buy it, or they wanted
20 to sell it?

21 A. They wanted to sell.

22 Q. And when you talk "they," who is the human?

23 A. I dealt with, I dealt with a human being. Denis
24 Feron is who I dealt with, talked to me about it.

25 Q. Okay. So you assumed him to be the human

1 person?

2 A. He was a human person that was selling Chemetco.

3 Q. Okay. Were you aware at the time, or now, who
4 the officers of Mississippi Processing were at that time?

5 A. No.

6 Q. No?

7 A. No.

8 Q. Okay. I mean, how did you understand this
9 Mississippi Processing? Why did you think it was involved
10 in this sale?

11 A. When Denis and I agreed in principal what we
12 wanted to do, I called Mike. I told Mike, Mike, this is
13 what we're doing. And I want you to work out so I'm safe
14 as we can possibly be. Try to get rid of all the
15 liabilities and all that kind of stuff, and come on back
16 when you got it worked out.

17 So Mississippi, and all of that, really, I --
18 you know, it sounds like I don't do anything, but I had
19 nothing to do with -- I just, longtime friend. I said,
20 longtime friend, I said, just make sure I don't get
21 screwed. I'm already getting screwed, but not too much.

22 Q. To Mr. Flynn, your longtime friend?

23 A. Yeah.

24 Q. Does Chemetco currently pay the attorneys' fees
25 for this litigation?

1 A. The one here?

2 Q. Yes.

3 A. I hope not. Not to my knowledge.

4 Q. You hope not, because the tax liability was
5 something --

6 A. Yeah.

7 Q. -- negotiated, so that you didn't have to worry
8 about it? Is that why you say that?

9 A. Yes.

10 Q. Do you know who currently is paying those
11 attorneys' fees?

12 A. No.

13 Q. And you don't know currently who owns
14 Mississippi Processing?

15 A. No, I do not know.

16 Q. Do you know if the company exists anymore?

17 A. Actually.

18 Q. Yeah.

19 A. I don't know. I mean, I don't know for sure.

20 Q. Okay. How about this company called Sofigepar?

21 A. Yeah.

22 Q. Do you know whether it exists?

23 A. I have no clue.

24 Q. Next time you talk to Denis Feron, do you mind
25 asking him for me?

1 A. You think he'll tell me?

2 Q. Does Chemetco receive correspondence from
3 Mississippi Processing, in any form?

4 A. Not to my knowledge. I've never seen anything.

5 Q. Okay. And -- Okay. Let me go through some sort
6 of wrap-up questions. Ever had any communications with
7 Michel Feron about this case?

8 A. No.

9 Q. Okay. Tom McRaven?

10 A. No.

11 Q. Did I ask you about --

12 A. Not true. I seen Tom the other day and I asked
13 him, not the other day, about six months ago, and I asked
14 him about, how thing's going? And he said he's working on
15 the case. This case. That was it.

16 Q. Okay. Okay. James Gourlay, ever talked to him
17 at all about this case?

18 A. No.

19 Q. Any employees in Gourlay Wolff?

20 A. No.

21 Q. How about a fellow named Noel Cocoran?

22 A. No.

23 Q. Noel Smith?

24 A. No.

25 Q. Okay. Do you have any idea how the plaintiff

1 here, discovered, discovered Noel Cocoran? Do you have
2 any idea about that?

3 A. Noel who?

4 Q. Cocoran?

5 A. No, I never heard of his name.

6 Q. Okay. What do you know about Cowan, S. A.?

7 It's a company.

8 A. I'm thinking. I'm not shaking my head, I'm
9 thinking. How do you spell it?

10 Q. C-o-w-a-n, S. A.

11 A. No.

12 Q. How about a company called Voges Management,
13 Ltd.?

14 A. I know that one.

15 Q. All right. What do you know about it?

16 A. I was -- It was a company set up for consulting
17 at Chemetco.

18 Q. At Chemetco, or Concorde?

19 A. Working with Chemetco, or maybe it was Concorde.
20 Concorde and Chemetco, I don't know who. I was involved
21 with that --

22 Q. Okay.

23 A. With that company. I remember I've been
24 involved in that. The need to do consulting work for that
25 company.

1 Q. Okay. What sort of advice did they render to
2 Concorde, or -- and/or Chemetco?

3 A. Oh, boy. It was on, it was on commercial
4 activities. I think it was also on plant operations.

5 I think basically it was used to trans, to --
6 One of the things that Denis would always believe a lot
7 in, what he was wanting to do himself was, to be able to,
8 to exchange and try to transfer the good things of the
9 European technologies and put them here, and vice versa,
10 and bring in some more technology and more things to
11 operations here.

12 Q. Okay. Was there any advice rendered about how
13 to do trading on metals exchanges?

14 A. Well, he was doing them.

15 Q. I'm sorry.

16 A. I mean, Denis did that. That's what he's
17 knowledgeable of doing, those trading activities, you
18 know.

19 Q. As a member of Voges Management, or as a
20 consultant from that company --

21 A. As a human being.

22 Q. Okay. I mean, I understand that based on this
23 case, everything I've heard, he's the one who handled the
24 trades in this case.

25 A. Right, right.

1 Q. Particularly, when Voges gave advice to
2 Concorde, and/or Chemetco, was that company through Deni
3 Feron offering advice about trading on the metal, any
4 metal exchange?

5 A. Yeah. I, I probably should say I don't recall
6 exactly. But I do remember some, some trading that he
7 brought on using options with Mini-Max, trying to explain
8 methodologies of hedging and all that, using -- which
9 turned in to be what they called the Delta theory. That
10 was really complex, we never did try it.

11 But I remember him doing stuff, I think I
12 remember him doing stuff like that. And Mini-Max was a
13 form of trading that he brought, of using options for a
14 hedging program.

15 Q. Okay. And that was through this Voges
16 Management Company?

17 A. I don't remember that. I don't recall if it was
18 through Voges. I just recall the human being.

19 Q. Okay. Can you give a time period to that?

20 A. That I don't remember, the time period very
21 well.

22 Q. Was it while Denis was associated formally with
23 Chemetco as an officer?

24 A. I really don't recall the period of time.

25 Q. Okay. I mean, I take it when he was with Voges,

1 he was in London?

2 A. Oh, I don't recall the period of time. He may
3 have been with Voges, but I know he still came to the
4 United States. I mean --

5 Q. When was the last time he came to the United
6 States, to your knowledge?

7 A. To my knowledge?

8 Q. Yeah.

9 A. Ninety-three. Where is the Mississippi
10 contract? It was somewhere in '93.

11 Q. Okay. Was he the human person that signed that
12 contract on behalf of Mississippi Processing?

13 A. I don't, I don't know the signature. I can't
14 tell his signature. I don't know.

15 Q. Okay. How about after '93, you don't know if
16 he's been to United States since then?

17 A. I don't know.

18 Q. This company called LC Metals --

19 A. Yeah.

20 Q. -- was a subsidiary of Chemetco to a point. Do
21 you know what its bank accounts might have been, where it
22 had bank accounts?

23 A. Where it had them at?

24 Q. Yeah.

25 A. No.

1 Q. Okay. Do you know anything about communications
2 from Robert Jones to James Gourlay?

3 A. No.

4 Q. Okay. You familiar with a bank in Guernsey, in
5 the Channel Islands, called Barfield Bank & Trust?

6 A. No.

7 Q. Never heard of it before?

8 A. Never heard of it.

9 Q. So you wouldn't know whether someone like Denis
10 Feron had a bank account there?

11 A. No.

12 Q. All right. How about Chemetco, do you know if
13 it ever had a bank account?

14 A. Not to my knowledge.

15 Q. Do you know what its bank accounts were in 1987?

16 A. Whose?

17 Q. Chemetco's.

18 A. No. Not -- I want to say Schroeder.

19 Q. Well, that would be right. People have told us
20 that. Schroeder in New York.

21 A. Yeah.

22 Q. Anywhere else?

23 A. I think we use a local bank here, maybe
24 Mercantile, or something like that. Or called Centerre,
25 the old Nations, or the old -- I don't know. That's all I

1 know.

2 Q. All right. Let me take a break and look at what
3 I've done and see if I've missed anything.

4 [Whereupon, there was a short recess.]

5 Q. (By Mr. Froelich) Mr. Suarez, have you ever
6 heard of a company called Frys Metals, F-r-y-s Metals?

7 A. Yes.

8 Q. What does it do?

9 A. It's a solder manufacturer and a lead producer.

10 Q. Okay. Do you know whether Chemetco had any
11 dealings with it in 1987?

12 A. I don't recall that. But I think so.

13 Q. You think so. Based on your position in the
14 company at the time, would you have been involved in any
15 contracts that would have occurred between Chemetco and
16 that company?

17 A. Probably.

18 Q. Okay. I think we went over these before, but
19 perhaps you have some recollection now.

20 A. Right.

21 Q. Do you remember whether there was ever any sale,
22 or I'm using sale, a possible contract between Chemetco
23 and this company, Frys Metals, that failed, that was like
24 for an extended month period contract? Do you remember
25 whether that ever happened?

1 A. I can't remember if it happened.

2 Q. Okay. As to the trading that was done in '87 by
3 Chemetco with Gourlay Wolff & Company, Ltd., pretty much
4 your testimony was that you didn't know, or remember a lot
5 about that, what went on?

6 A. Right.

7 Q. Is there anything besides the actual trade
8 schedules that I've showed you, that could -- that would
9 be able to prompt your memory as to that? Any kind of,
10 any kind of other document you can think of?

11 A. I can't think of anything. If you got something
12 to show me --

13 Q. Well, I mean, I could show you trading records
14 themselves.

15 A. That's not going to do it. Like those?

16 Q. Like this kind of thing.

17 A. No.

18 Q. That's not going to help.

19 A. No, I never saw stuff like that.

20 Q. Okay. I mean, I'm looking at -- Well, let's
21 just call it exhibit, this would have been Exhibit 13.
22 And sorry, not 13, 15 in the McRaven deposition.

23 And I'll just pick out one of the, second page
24 in that deposition exhibit as a difference account from
25 Gourlay Wolff to Chemetco. Or rather, sorry, that's to

1 Cowan. Let me get the Chemetco one. There. The third
2 page there is an account.

3 Do you remember ever seeing anything like that
4 when you were there?

5 A. I may have seen something like this, something
6 like that, but I never received anything like that, that I
7 can remember.

8 Q. Okay. Do you have any basis for saying whether
9 or not the trades that were done were sham trades or not,
10 if you know what I mean by sham?

11 In the nature of like a tax shelter kind of a
12 trade, where everything was on paper, but nothing really
13 happened in terms of substance of the trade?

14 I'm trying to see if you have any basis for
15 saying whether or not that was the case here, through the
16 trades in this case. Specifically those trades on the
17 schedule today that I showed you, the lead and the copper
18 trades.

19 A. Right. I have no basis at all to make any
20 judgment on that.

21 Q. Okay. All right. For all the questions that
22 I've asked you, is there anything that you would like to
23 add to, or clarify, or say anything about at this point?

24 A. No.

25 MR. FROELICH: Okay. You'll have an opportunity

1 to review the transcript and look it over, make any
2 corrections you would think proper. But that will end my
3 questioning of you.

4 Thank you.

5 THE WITNESS: Thank you.

6 MR. FLYNN: Thank you.

7 o-0-o

8 COMES NOW THE WITNESS, JOHN SUAREZ, and having
9 read the foregoing transcript of the deposition taken on
10 the 3rd day of September, 1998, and acknowledges by
11 signature hereto that it is a true and accurate transcript
12 of the testimony given on the date hereinabove mentioned.

13

14

15

JOHN SUAREZ

16

17

Subscribed and sworn to before me this ____ day
of _____, 199_.

18

My Commission Expires: _____.

19

20

Notary Public

21

22

23

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25

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2 corrections you would think proper. But that will end my
3 questioning of you.

4 Thank you.

5 THE WITNESS: Thank you.

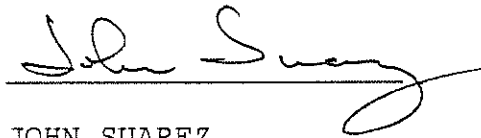
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15

JOHN SUAREZ

16

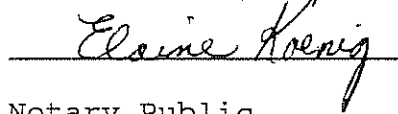
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Subscribed and sworn to before me this 7th day
of October, 1998.

18

My Commission Expires: 11/29/99.

19



20

Notary Public

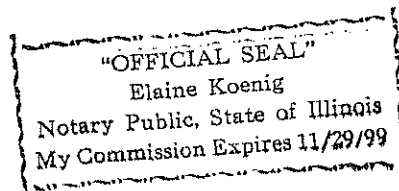
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JOHN SUAREZ

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Subscribed and sworn to before me this ____ day
of _____, 199__.

My Commission Expires: _____.

Notary Public

DEPOSITION CORRECTION SHEET

In Re:

Upon reading the deposition and before subscribing thereto,
the deponent indicated the following changes should be made:

Page Line Should read:

Reason assigned for change:

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Reason assigned for change:

Deponent

NOTARIAL CERTIFICATE

STATE OF MISSOURI)
)
COUNTY OF ST. LOUIS)

I, JANE M. RICH, a Registered Professional Reporter and a duly commissioned Notary Public, within and for the State of Missouri, do hereby certify that pursuant to notice there came before me at the offices of the United States Attorney, 1114 Market, St. Louis, Missouri

JOHN SUAREZ,

who was first duly sworn to testify to the truth and nothing but the truth of all knowledge touching and concerning the matters in controversy in this cause; that the witness was thereupon examined, and said examination was reduced to writing by me, and signed by the witness, and that this deposition is a true and accurate record of the testimony given by the witness.

I further certify that I am not of counsel nor attorney for either of the parties to said suit, nor related, nor interested in any of the parties or their attorneys.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 15th day of September, 1998.

My Commission expires: 7-1-2000.

Notary Public

PART A

1. Name (If Individual—Last, First, Middle Initial)

Street Address Chemtec, Inc
P.O. Box 187 Alton, IL 62002
 City State/Country Zip/Postal Code

2a. Principal Business and Occupation of the Reporting Trader (Be specific) Copper Refining

2b. Is your futures trading for, on behalf of, or in association with, any of the following: (check as many as are applicable.)

- (1) ☐ A customer trading program of an FCM?
 (2) ☐ A commodity pool?
 (3) ☐ A producer cooperative?
 (4) ☒ Any business activity in which you are commercially engaged? (i.e., futures transactions which constitute hedging)
 (5) ☐ Personal use?
 (6) ☐ Other (Specify) _____

3. Type of Trader: (Check one only)

- (a) ☐ Individual
 (b) ☐ Joint Tenant } ➔ In addition to Part A, you must complete Part B
 (c) ☐ Partnership
 (d) ☒ Corporation
 (e) ☐ Association } In addition to Part A, you must complete Part C
 (f) ☐ Trust
 (g) ☐ Other (Specify) _____

4. Are you registered with the Commodity Futures Trading Commission as:

- | | YES | NO |
|------------------------------------|--------------------------|-------------------------------------|
| (a) A futures commission merchant? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (b) A floor broker | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (c) An associated person of an FCM | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (d) A commodity trading advisor? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (e) A commodity pool operator? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

5. Do you control the futures trading for any other persons? ☐ YES ☐ NO
 If yes, give names and addresses of such persons. (Use a continuation sheet if necessary)

NAMES

ADDRESSES

Street Address

City State/Country Zip/Postal Code

Street Address

City State/Country Zip/Postal Code

Street Address

City State/Country Zip/Postal Code

6. Does any other person control your trading? (Do not include brokers who merely execute your orders.)

☐ YES ☒ NO If "yes" give names, addresses and business telephone numbers of such persons. (Use continuation sheets if necessary.)

LOCATION

Name

Street Address

Business Phone

City

State/Country

Zip/Postal Code

Name

Street Address

Business Phone

City

State/Country

Zip/Postal Code

7. Give names and locations of all firms through whom you now carry accounts and the name of your account executive at each firm. Use a continuation sheet if necessary. (If U.S. location, give city and state; if foreign country, give city and country.)

NAMES

LOCATIONS

Firm

City

State/Country

Account Executive

8. Does any other person guarantee or have financial interest of 10% or more in accounts which you own? ☐ YES ☒ NO
If "yes" give names and locations (city and state) of such persons. Indicate whether they guarantee your account (G) or have a financial interest in it (F).

NAMES

City

LOCATIONS

State/Country

☐ (F) ☐ (G)

☐ (F) ☐ (G)

9. Do you guarantee or have a financial interest of 10 percent or more in futures trading accounts not in your name? ☐ YES ☒ NO
If "yes" give the names of such accounts, the names of the principal owners and the names and locations of the brokerage firms through which the accounts are carried. Indicate whether you guarantee such accounts (G) or have a financial interest in them (F).

Account Name

☐ G ☐ F

Principal Owner

Brokerage Firm

City

State/Country

10. Do you represent a foreign government, act as an agent of a foreign government, receive financing from a foreign government either through ownership of capital assets or provision of operating expenses, or are you an entity specially acknowledged by a statute or regulation of a foreign jurisdiction? ☐ YES ☒ NO

If "yes" give the name of the country which the government represents and complete items (1) through (5) below.

Name of Country NA

- | | YES | NO |
|--|--------------------------|-------------------------------------|
| (a) Do you act as an agent of the government? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (b) Are you acknowledged by a statute or regulation of a foreign jurisdiction? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (c) Does the government directly or indirectly control your trading? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (d) Does the government finance you, either through capital ownership of your assets or by providing operating capital? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (e) Use a continuation sheet to briefly describe the nature of the relationship(s) with foreign governments that you have indicated in items (a) - (d) above, or any other manner in which you represent the foreign government. | | |

This statement should be signed by the trader personally. If the account is in the name of an organization, a partner, officer or trustee should sign this form. His name and title should be printed on the lines above the signature.

Name: (Print or Type) <u>TG McRaven</u>	Title: <u>Treasurer</u>
Signature: <u>TG McRaven</u>	Date: <u>4-29-83</u>

CME 03588

SCHEDULE 1

PART A: FOR ALL FUTURES MARKETS OTHER THAN FINANCIAL INSTRUMENTS AND FOREIGN CURRENCIES

Futures Contract Used	Marketing Activities Associated With Your Hedging	Cash Commodity(ies) Hedged or Risk Exposure Covered
<i>Copper Cathodes</i>	(1) <input checked="" type="checkbox"/> PRODUCER (4) <input type="checkbox"/> LIVESTOCK FEEDER (2) <input type="checkbox"/> MERCHANDISER (5) <input type="checkbox"/> OTHER (specify) _____ (3) <input type="checkbox"/> PROCESSOR	<i>Copper Cathodes + Scrap</i>
	(1) <input type="checkbox"/> PRODUCER (4) <input type="checkbox"/> LIVESTOCK FEEDER (2) <input type="checkbox"/> MERCHANDISER (5) <input type="checkbox"/> OTHER (specify) _____ (3) <input type="checkbox"/> PROCESSOR	
	(1) <input type="checkbox"/> PRODUCER (4) <input type="checkbox"/> LIVESTOCK FEEDER (2) <input type="checkbox"/> MERCHANDISER (5) <input type="checkbox"/> OTHER (specify) _____ (3) <input type="checkbox"/> PROCESSOR	
	(1) <input type="checkbox"/> PRODUCER (4) <input type="checkbox"/> LIVESTOCK FEEDER (2) <input type="checkbox"/> MERCHANDISER (5) <input type="checkbox"/> OTHER (specify) _____ (3) <input type="checkbox"/> PROCESSOR	

PART B: FOR FUTURES MARKETS IN FINANCIAL INSTRUMENTS (e.g. GNMA's and T-Bills)

Futures Contract Used	Marketing Activities Associated With Your Hedging	Cash Commodity(ies) Hedged or Risk Exposure Covered
	(1) <input type="checkbox"/> DEALER IN FINANCIAL INSTRUMENTS (2) <input type="checkbox"/> FINANCIAL INTERMEDIARIES <u>1/</u> (3) <input type="checkbox"/> INVESTMENT GROUPS <u>2/</u> (4) <input type="checkbox"/> OTHER (specify) _____	
	(1) <input type="checkbox"/> DEALER IN FINANCIAL INSTRUMENTS (2) <input type="checkbox"/> FINANCIAL INTERMEDIARIES <u>1/</u> (3) <input type="checkbox"/> INVESTMENT GROUPS <u>2/</u> (4) <input type="checkbox"/> OTHER (specify) _____	

PART C: FOR FUTURES MARKETS IN FOREIGN CURRENCIES

Futures Contract Used	Marketing Activities Associated With Your Hedging	Cash Commodity(ies) Hedged or Risk Exposure Covered
	(1) <input type="checkbox"/> CURRENCY DEALER/BROKER (2) <input type="checkbox"/> IMPORTER/EXPORTER (3) <input type="checkbox"/> FOREIGN INVESTOR (4) <input type="checkbox"/> OTHER (specify) _____	
	(1) <input type="checkbox"/> CURRENCY DEALER/BROKER (2) <input type="checkbox"/> IMPORTER/EXPORTER (3) <input type="checkbox"/> FOREIGN INVESTOR (4) <input type="checkbox"/> OTHER (specify) _____	

1/

Includes commercial banks, savings and loans, credit unions, mutual savings banks, mortgage banks.

2/

Includes pension funds, mutual funds, college endowment funds, insurance companies.

NAME	CITY	STATE/COUNTRY
ACLI Int'l Commodity Services (Irwin Solomon)	New York	New York
EF Hutton (Joe Dunn)	White Plains	New York
Merrill Lynch Pierce Fenner + Smith (Sal Giordano)	New York	New York
PAN ATLANTIC LTD (D.S. Butler)	London	England
IME COMMODITIES LTD (J. Goulay)	London	England

PART C

(For Corporations, Associations, Trusts or "Other" Types of Traders Only)
If you checked corporation, association, trust or "other" as type of trader in Part A, Item 2,
complete this part of the form.

NAME (as shown on Part A) Cherette Inc.

1. For firms such as Corporations, Associations, Trusts:

- a. Is this firm organized under the laws of any state or other jurisdiction in the United States?
☐ YES ☒ NO

If "no", give the name of the country under whose jurisdiction you are organized. NA

- b. List the names and locations of all parent companies. Indicate whether or not the parents are organized or incorporated under the laws of any state or other jurisdiction in the United States by checking "yes" or "no". If you have no parent organization indicate "none".

NAME	LOCATION	YES	NO
<u>Le Societe Financiere de</u>	<u>Luxembourg</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<u>Societe Et de Participations</u>		<input type="checkbox"/>	<input type="checkbox"/>

- c. Give names and locations of all subsidiaries, if any, which trade in commodity futures. Indicate whether or not each company is organized or incorporated under the laws of any state or other jurisdiction in the United States by checking "yes" or "no." If no subsidiaries, indicate "none."

NAMES	LOCATIONS	YES	NO
<u>N/A</u>		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

- 2. a.** Give name, office address and business telephone number of person(s) controlling your futures trading.
If different persons are responsible for different commodities, use a continuation sheet to list the information below for each controller and indicate the commodities for which they are responsible.

John Suarez
Name
Rt 3 + Oldenburg Road
Street Address
Hartford IL 62048
City State/Country Zip/Postal Code
(618) 254-4381
Business Telephone Number

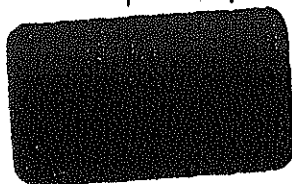
- b. Give name, office address and business telephone number of person to contact regarding your futures trading.

Tom McRaven
Name
Rt 3 + Oldenburg Road
Street Address
Hartford IL 62048
City State/Country Zip/Postal Code
(618) 254-4381
Business Telephone Number

- 3.** Is this company commercially engaged in the marketing of cash commodities or in business activities which it hedges by using the futures markets? ☒ YES ☐ NO

If "yes," for each futures contract used for hedging designate the marketing activity associated with your hedging and the cash commodities hedged or risk exposure covered on Schedule 1.

<u>Names (Account Executives)</u>	<u>City</u>	<u>State/Country</u>
ACLI Int'l Commodity Services (Irwin Salmon)	New York	New York
EF HUTTON (Joe Dunn)	White Plains	New York
Merrill Lynch Pierce Fenner + Smith (Sal Giordano)	New York	New York
PAN ATLANTIC LTD (D.S. Butler)	London	England
THE COMMODITIES LTD (J. Goulay)	London	England



Complete and return this statement promptly. Print or type. ALL TRADERS MUST COMPLETE PART A

PART A

1. Name (If Individual—Last, First, Middle Initial)

Chemetco, Inc.

Street Address

P.O. Box 187 Alton, IL 62002

City

State/Country

Zip/Postal Code

2a. Principal Business and Occupation of the Reporting Trader (Be specific) Copper Refining

2b. Is your futures trading for, on behalf of, or in association with, any of the following: (check as many as are applicable.)

- (1) ☐ A customer trading program of an FCM?
(2) ☐ A commodity pool?
(3) ☐ A producer cooperative?
(4) ☒ Any business activity in which you are commercially engaged? (i.e., futures transactions which constitute hedging)
(5) ☐ Personal use?
(6) ☐ Other (Specify) _____

3. Type of Trader: (Check one only)

- (a) ☐ Individual
(b) ☐ Joint Tenant } ➔ In addition to Part A, you must complete Part B
(c) ☐ Partnership
(d) ☒ Corporation
(e) ☐ Association } In addition to Part A, you must complete Part C
(f) ☐ Trust
(g) ☐ Other (Specify) _____

4. Are you registered with the Commodity Futures Trading Commission as:

- | | YES | NO |
|------------------------------------|--------------------------|-------------------------------------|
| (a) A futures commission merchant? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (b) A floor broker | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (c) An associated person of an FCM | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (d) A commodity trading advisor? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (e) A commodity pool operator? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

5. Do you control the futures trading for any other persons? ☐ YES ☒ NO

If yes, give names and addresses of such persons. (Use a continuation sheet if necessary)

NAMES

ADDRESSES

Street Address

City

State/Country

Zip/Postal Code

Street Address

City

State/Country

Zip/Postal Code

Street Address

City

State/Country

Zip/Postal Code

CME 03578

Does any other person control your trading? (Do not include brokers who merely execute your orders.)
☐ YES ☒ NO If "yes" give names, addresses and business telephone numbers of such persons. (Use continuation sheets if necessary.)

LOCATION

Name

Street Address

Business Phone

City

State/Country

Zip/Postal Code

Name

Street Address

Business Phone

City

State/Country

Zip/Postal Code

Give names and locations of all firms through whom you now carry accounts and the name of your account executive at each firm. Use a continuation sheet if necessary. (If U.S. location, give city and state; if foreign country, give city and country.)

NAMES

LOCATIONS

Name

City

State/Country

Account Executive

Does any other person guarantee or have financial interest of 10% or more in accounts which you own? ☐ YES ☒ NO
If "yes" give names and locations (city and state) of such persons. Indicate whether they guarantee your account (G) or have a financial interest in it (F).

NAMES

City

LOCATIONS

State/Country

☐ (F) ☐ (G)

☐ (F) ☐ (G)

Do you guarantee or have a financial interest of 10 percent or more in futures trading accounts not in your name? ☐ YES ☒ NO
If "yes" give the names of such accounts, the names of the principal owners and the names and locations of the brokerage firms through which the accounts are carried. Indicate whether you guarantee such accounts (G) or have a financial interest in them (F).

Account Name

☐ G ☐ F

Principal Owner

Brokerage Firm

City

State/Country

Do you represent a foreign government, act as an agent of a foreign government, receive financing from a foreign government either through ownership of capital assets or provision of operating expenses, or are you an entity specially acknowledged by a statute or regulation of a foreign jurisdiction? ☐ YES ☐ NO

If "yes" give the name of the country which the government represents and complete items (1) through (5) below.

Name of Country

N/A

YES NO

(a) Do you act as an agent of the government?

☐

☒

(b) Are you acknowledged by a statute or regulation of a foreign jurisdiction?

☐

☒

(c) Does the government directly or indirectly control your trading?

☐

☒

(d) Does the government finance you, either through capital ownership of your assets or by providing operating capital?

☐

☒

(e) Use a continuation sheet to briefly describe the nature of the relationship(s) with foreign governments that you have indicated in items (a) - (d) above, or any other manner in which you represent the foreign government.

This statement should be signed by the trader personally. If the account is in the name of an organization, a partner, officer or trustee should sign this form. His name and title should be printed on the lines above the signature.

Name

(Print or Type)

Title:

TG McRaven

Treasurer

Signature:

Date:

TG McRaven

5-17-84

CME 03579

SCHEDULE 1

PART A: FOR ALL FUTURES MARKETS OTHER THAN FINANCIAL INSTRUMENTS AND FOREIGN CURRENCIES

Futures Contract Used	Marketing Activities Associated With Your Hedging	Cash Commodity(ies) Hedged or Risk Exposure Covered
<i>Copper Cathodes</i>	(1) <input checked="" type="checkbox"/> PRODUCER (2) <input type="checkbox"/> MERCHANDISER (3) <input type="checkbox"/> PROCESSOR (4) <input type="checkbox"/> LIVESTOCK FEEDER (5) <input type="checkbox"/> OTHER (specify) _____	<i>Copper Cathodes + Scrap</i>
	(1) <input type="checkbox"/> PRODUCER (2) <input type="checkbox"/> MERCHANDISER (3) <input type="checkbox"/> PROCESSOR (4) <input type="checkbox"/> LIVESTOCK FEEDER (5) <input type="checkbox"/> OTHER (specify) _____	
	(1) <input type="checkbox"/> PRODUCER (2) <input type="checkbox"/> MERCHANDISER (3) <input type="checkbox"/> PROCESSOR (4) <input type="checkbox"/> LIVESTOCK FEEDER (5) <input type="checkbox"/> OTHER (specify) _____	
	(1) <input type="checkbox"/> PRODUCER (2) <input type="checkbox"/> MERCHANDISER (3) <input type="checkbox"/> PROCESSOR (4) <input type="checkbox"/> LIVESTOCK FEEDER (5) <input type="checkbox"/> OTHER (specify) _____	

PART B: FOR FUTURES MARKETS IN FINANCIAL INSTRUMENTS (e.g. GNMA's and T-Bills)

Futures Contract Used	Marketing Activities Associated With Your Hedging	Cash Commodity(ies) Hedged or Risk Exposure Covered
	(1) <input type="checkbox"/> DEALER IN FINANCIAL INSTRUMENTS (2) <input type="checkbox"/> FINANCIAL INTERMEDIARIES ^{1/} (3) <input type="checkbox"/> INVESTMENT GROUPS ^{2/} (4) <input type="checkbox"/> OTHER (specify) _____	
	(1) <input type="checkbox"/> DEALER IN FINANCIAL INSTRUMENTS (2) <input type="checkbox"/> FINANCIAL INTERMEDIARIES ^{1/} (3) <input type="checkbox"/> INVESTMENT GROUPS ^{2/} (4) <input type="checkbox"/> OTHER (specify) _____	

PART C: FOR FUTURES MARKETS IN FOREIGN CURRENCIES

Futures Contract Used	Marketing Activities Associated With Your Hedging	Cash Commodity(ies) Hedged or Risk Exposure Covered
	(1) <input type="checkbox"/> CURRENCY DEALER/BROKER (2) <input type="checkbox"/> IMPORTER/EXPORTER (3) <input type="checkbox"/> FOREIGN INVESTOR (4) <input type="checkbox"/> OTHER (specify) _____	
	(1) <input type="checkbox"/> CURRENCY DEALER/BROKER (2) <input type="checkbox"/> IMPORTER/EXPORTER (3) <input type="checkbox"/> FOREIGN INVESTOR (4) <input type="checkbox"/> OTHER (specify) _____	

^{1/} Includes commercial banks, savings and loans, credit unions, mutual savings banks, mortgage banks.

^{2/} Includes pension funds, mutual funds, college endowment funds, insurance companies.

PART C
(For Corporations, Associations, Trusts or "Other" Types of Traders Only)
If you checked corporation, association, trust or "other" as type of trader in Part A, Item 3,
complete this part of the form.
NAME (as shown on Part A) Chemette, Inc

1. For firms such as Corporations, Associations, Trusts:

- a. Is this firm organized under the laws of any state or other jurisdiction in the United States?
☐ YES ☒ NO

If "no", give the name of the country under whose jurisdiction you are organized. N/A

- b. List the names and locations of all parent companies. Indicate whether or not the parents are organized or incorporated under the laws of any state or other jurisdiction in the United States by checking "yes" or "no". If you have no parent organization indicate "none".

NAME	LOCATION	YES	NO
<u>Le Societe Financiere de</u>			
<u>Boston Et de Participations</u>	<u>Luxembourg</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- c. Give names and locations of all subsidiaries, if any, which trade in commodity futures. Indicate whether or not each company is organized or incorporated under the laws of any state or other jurisdiction in the United States by checking "yes" or "no." If no subsidiaries, indicate "none."

NAMES	LOCATIONS	YES	NO
<u>N/A</u>		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

- a. Give name, office address and business telephone number of person(s) controlling your futures trading. If different persons are responsible for different commodities, use a continuation sheet to list the information below for each controller and indicate the commodities for which they are responsible.

John Suarez
Name
Rt 3 + Oldenburg Road
Street Address
Hartford IL 62048
City State/Country Zip/Postal Code
(618) 254-4381
Business Telephone Number

- b. Give name, office address and business telephone number of person to contact regarding your futures trading.

Tom McRaven
Name
Rt 3 + Oldenburg Road
Street Address
Hartford IL 62048
City State/Country Zip/Postal Code
(618) 254-4381
Business Telephone Number

3. Is this company commercially engaged in the marketing of cash commodities or in business activities which it hedges by using the futures markets? ☒ YES ☐ NO

If "yes," for each futures contract used for hedging designate the marketing activity associated with your hedging and the cash commodities hedged or risk exposure covered on Schedule 1.

<u>NAMES & COMPANY & MEMBERS</u>	<u>CITY</u>	<u>STATE/COUNTRY</u>
ACLI INT'L COMMODITY SERVICES (Irvin Salmon)	New York	New York
EF HUTTON (Joe Dunn)	White Plains	New York
Merrill Lynch Pierce Fenner + Smith (Sal Giordano)	New York	New York
PAN ATLANTIC LTD (D.S. Butler)	London	England
THE COMMODITIES LTD (J. Goulay)	London	England

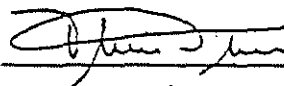
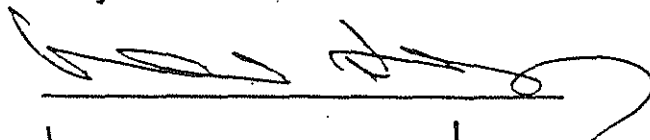
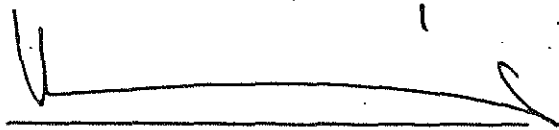
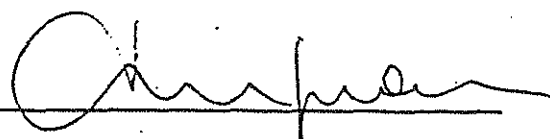
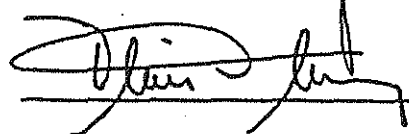



P.O. BOX 187 • ALTON, ILLINOIS 62002
(818) 254-4381 • TELEX: WU44-2481

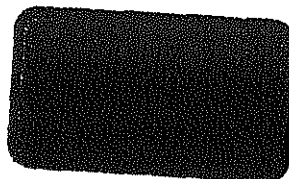
April 29, 1985

Resolution of the Board of Directors

Resolved that the "Client Trading Agreement" with
Gourlay Wolff & Company, Ltd., dated April 29, 1985,
is ratified.


Secretary



CME 03357

Gourlay Wolff & Co Ltd

116 BOROUGH HIGH STREET, LONDON SE1 1LB

TELEPHONES: GENERAL 01-403 0582. TRADING 01-403 3361. TELEX 8813151 (SINCLR G)

CLIENT TRADING AGREEMENT

Client Name: <i>Chemetco, Inc.</i>	
Contract Address: <i>P. O. Box 187 Alton, Illinois 62002 U.S.A.</i>	Mailing Address: (if different)
Contact (if not Client Name):	
Telephone No. Daytime: <i>(618) 254-4381</i> Evening:	Telex No: <i>442481</i> Answerback <i>CHEMETCOR ALTN</i>
Name and Address of Bankers: 1. <i>J. Henry Schroeder Bank & Trust Co. One State Street New York, New York 10015</i>	2.
Name and Address of Trade References: 1. <i>Olin Corporation Shamrock Street East Alton, Illinois 62024</i>	2. <i>Commercial Metals P. O. Box 3674 Dallas, Texas 75285</i>
(Individual clients only) The following are appointed to give trading and other instructions on behalf of the client above. of and/or of	(All other clients) The following are authorised to trade in the name of the client above, subject to Clause 11 overleaf. Name Position <i>Michel Feron</i> <i>Chairman</i> <i>Denis Feron</i> <i>President</i> <i>T. G. McRaven</i> <i>Treasurer</i>

Signed *T. G. McRaven* Date *4/29/85*

CME 03358

In consideration of Gourlay Wolff and Co Limited, hereinafter referred to as GW, agreeing to enter into contractual engagements with the client named on page 1 of this document, hereinafter referred to as the client, the client agrees as follows:

1. All contracts entered into by GW with the client shall be subject to the Rules, Regulations, By-laws and Customs of the Market upon which the transaction was or is to be effected, and the appropriate Clearing House and/or Regulatory Body (if any), and any trading arrangements or amendments to these Standard Terms and Conditions of Business advised to the client in writing under the signature of an authorised signatory of GW at the material time. In the event of any conflict between the Rules, Regulations, By-laws and Customs and these Standard Terms and Conditions, the latter shall prevail unless the client is a member of the Market upon which the transaction is effected in which case the Rules, Regulations, By-laws and Customs of that Market shall prevail.
2. The client shall, at all times, without notice from GW, maintain and keep accounts with GW fully margined in accordance with GW's requirements from time to time and the client shall pay to GW immediately on demand being made by GW deposits, margins, debit balances and other sums as may be required, whether by GW or by a Market or by the appropriate Clearing House or otherwise.
3. Notwithstanding that, subject to GW's agreement, an intermediary or agent may be used for the purpose of giving trading or settlement instructions, the client remains principally liable to GW for the proper maintenance of all accounts with GW, and all payments of money due to GW will be made direct to GW and not through the intermediary or agent who, in no circumstances, will have authority to give good receipt for such money on GW's behalf.
4. An Event of Default shall occur if and when:-
 - (i) the client shall fail to comply fully and immediately with his obligations and/or GW's demands as in (2) above;
 - (ii) the client fails to observe or perform any of its other obligations under these Standard Terms and Conditions of Business and/or any other agreement with GW or
 - (iii) the client shall die or commit any act of bankruptcy or becomes bankrupt or shall stop or suspend any payment or delivery or transfer, or
 - (iv) an encumbrancer takes possession of or a trustee, receiver or similar officer is appointed, in respect of all or any part of the business or assets of the client or distress or any form of execution is levied or enforced upon or sued out against any such assets and is not discharged within 21 days of being levied, enforced or sued out or any mortgage charge or lien or other security which may for the time being affect any of the client's assets, becomes enforceable by reason of default, or
 - (v) the client becomes unable to pay its debts as they fall due or any indebtedness or obligation of the customer for the repayment of borrowed monies becomes due and payable or capable of being declared due and payable prior to the specified maturity date therefor; or
 - (vi) the client convenes a meeting of its creditors or proposes or makes any arrangement or composition with or any assignment for the benefit of any of its creditors or an order or petition as presented for the winding up of the client is passed or a meeting is convened for the purpose of considering a resolution or other steps are taken for the winding up of the client; or
 - (vii) anything analogous to any of the events specified in subparagraphs 4(iii), 4(iv) and 4 (v) occurs under the laws of any applicable jurisdiction or the client changes or threatens to change the nature or materially reduces the scope of its business, suspends or takes any action indicating a positive intention to suspend the substantial part of a present business operation which it now conducts directly or indirectly or any governmental authority expropriates or takes any action indicating a positive intention to expropriate all or part of the client's assets.
5. Upon or at any time after the occurrence of any Event of Default or whenever GW in its absolute discretion deems it desirable or prudent for its protection, GW shall not be obliged to deliver or transfer any commodity under any contract or to release any commodity, security or cash standing to the credit of any of the client's accounts, sub-accounts, or any connected accounts in the books of GW or to pay over any sum to the client; and may without notice to the client:
 - (a) Close out any or all open positions which the client or connected accounts may have with GW and
 - (b) Attach a general lien to any credit balances due by GW to the client or connected accounts, and
 - (c) Convert any balances at current market rates in £ sterling or US Dollars as GW may consider appropriate, and
 - (d) Transfer any such credit balances amongst GW's accounts in order to set off wholly or in part any of the client's liabilities to GW or any of the liabilities of the connected accounts to GW.

Without prejudice to any other provision herein contained GW shall be entitled at any time at their discretion and without notice to the client to merge, consolidate or combine all or any of the client's accounts, sub accounts and connected accounts held in the books of GW and in the books of any company owned, controlled or managed by GW or their ultimate shareholders ("connected companies of GW") so as to extinguish or diminish all or any part of any liability or liabilities of the client and/or connected account/s to GW or to connected companies of GW whether such liability or liabilities are actual or contingent, primary or collateral, several or joint.

The expression "connected account/s" shall be construed to mean any account in GW's books and/or the books of connected companies of GW in the name of any company/ies 50% or more of the shares of which are either beneficially owned by the client or the shareholders or the ultimate shareholders of the client or is under common management with the client or the management of which is ultimately controlled by the client, the shareholders or the ultimate shareholders of the client.

6. Payment due from the client shall be made promptly in freely transferable, cleared and available funds without deduction (whether in respect of set off, counterclaim, duty, taxes, charges, expenses, or otherwise howsoever). If the client is obliged by law to make a deduction in respect of taxes, the client shall pay to GW such amount which, after deduction of such taxes, shall ensure that the net amount actually received by GW will equal the full amount which would have been received by it had no such deduction or withholding been required.
7. The client hereby authorises GW to disclose to any Market, Association, Broker, Clearing House, Futures Commission Merchant or Regulatory Body entitled to demand such information, full details of the client's positions with GW and any other information on demand.
8. The client agrees to pay GW interest on any debit balance on the client's account at the rate of 3 per centum per annum over the base rates quoted from time to time by National Westminster Bank PLC if such debit balance shall be denominated in sterling. If such debit balance shall be denominated in US\$, the client agrees to pay GW interest on such debit balance at the rate of 3 per centum per annum over the prime rate quoted from time to time by Citibank N.A.
9. Nothing which GW may do or cause to be done or which GW may fail to do shall be, or shall be deemed to be, waiver of any of GW's rights or of any of the provisions of these Standard Terms and Conditions of Business.
10. This agreement is not assignable by the client except with GW's prior written consent, however nothing shall prevent GW from assigning it. It shall be binding on the client's personal representatives.
11. All contract confirmations, statements of account and open positions demands, notices and any other documents whatsoever to be given to the client by GW shall, unless actually received earlier, be deemed to have been received by the client 2 days after the same have been posted to the client at the mailing address shown overleaf and the client agrees to waive all claims resulting from failure to receive such communication. The client further agrees that all such documents shall be conclusive and binding upon the client as to its rights and liabilities unless written notice of objection thereto is received by GW within five days of the date on which such documents are received or are deemed to have been received, whichever shall be the earlier. All contracts returned to GW signed on the client's behalf, will be deemed to have been signed on the client's behalf by its duly authorised representative. The list of those named as authorised to trade on behalf of the client on Page 1 of this Agreement is understood to be correct at the time of its being signed; subsequent personnel changes, although not named in this Agreement, shall be deemed to be duly authorised to trade in the usual manner with GW in the name of the client in the absence of written advice from the client to the contrary.

12. GW accepts no liability whether contractually or otherwise howsoever for errors or omissions in any summary of dealings affecting the client which GW may send by telex at the end of the trading day. This summary will not form a part of any contract between GW and the client. The client accepts that it is their duty to check all information given to it by GW and to notify GW immediately in writing of any errors.
13. Each contract shall be deemed to have been entered into by the client in reliance only upon their own judgement and deliberations and GW does not hold itself out or any of its directors employees or agents as having authority to advise the client on terms thereof or on any other matter connected with commodity and foreign exchange transactions (whether such advice is given verbally, in writing or is contained in any publication) and shall have no responsibility or liability whatsoever in respect of any such advice given to the client whether or not such advice was requested by the client.
14. The client hereby warrants:-
 - (a) that they have received all necessary consents to enable them to effect transactions hereunder, that they are empowered by their constitution so to effect transactions and that all regulations of any governmental or other regulatory body or authority applicable to each transaction have been or will be complied with. GW shall be entitled to require the client to provide evidence reasonably satisfactory to GW of the existence of any such consent and of compliance with any such regulation;
 - (b) any property provided to GW hereunder, whether as a margin, security or otherwise is free of any encumbrance or lien.
15. In respect of any obligation of the client hereunder to provide security or to make payment to GW, time shall be of the essence.
16. If GW is prevented from or hindered in carrying out any of its obligations hereunder by reason of any cause not within the direct control of GW, GW shall be under no liability whatsoever in respect thereof and the time for performance by GW shall be extended by a period equal to that during which performance is so prevented, hindered or delayed, but without prejudice to the foregoing, GW shall be entitled by notice to the client given at any time prior to the seventh day after cessation of the prevention, hinderance or delay (whether or not the same shall still be continuing at the time when such notice is given) to cancel the relevant contract.
17. Without prejudice to the generality of the foregoing, if any obligation of GW or the client falls due to be performed on a day which is not a business day in the place where such obligation is due to be performed, all obligations under the relative contract shall be performed on the next succeeding day which is a business day in any place where any obligations under such contracts are to be performed.
18. These Standard Terms and Conditions of Business shall be governed and construed in accordance with the laws of England, but GW may at their absolute discretion institute proceedings in the Courts of any country or State in which assets of the client are situated or they are resident or otherwise. GW may revoke and amend these Standard Terms and Conditions of Business and any other arrangements advised to the client if at any time in its absolute discretion, GW thinks it necessary for its protection. Service of proceedings upon the client by posting the same to the address overleaf shall be deemed to be good service, any rule of law or equity notwithstanding.
19. Words importing the plural number in these Standard Terms and Conditions of Business shall include the single number and vice versa. In addition to the foregoing, the following Standard Terms and Conditions of Business will apply to all contracts entered into in gold and silver ("Bullion"), other than contracts entered into on terminal markets.
20. All contracts are entered into on a principal to principal basis.
21. In the case of a contract which involves the sale of Bullion to the client by GW, the property in the Bullion shall remain in GW until payment therefor has been made in full.
22. Risk in the Bullion shall pass to the client from first delivery of the Bullion to the client whether or not the property in the Bullion has passed to the client. Whilst the Bullion is in the possession of the client, and before property in the same has passed to the client, the client shall keep the Bullion in the same condition as that in which it was delivered and shall make good any damage or deterioration that occurs.
23. The client shall reimburse GW for all taxes, imposts and levies whatsoever charged in connection with a transaction effected hereunder or in connection with the deposit and holding of Bullion or other security and shall hold GW indemnified against all such taxes, imposts and levies.

RISK DISCLOSURE STATEMENT

This statement is furnished for all clients who trade on an exchange located in the United States because rule 1.55 of the Commodity Futures Trading Commission requires it. In addition, we consider it appropriate that all clients, regardless of the markets upon which they may wish to trade, are made aware of the considerations outlined by the statement, and accordingly acknowledge that they have read and understand it by signing the final page of this Agreement.

The risk of loss in trading commodity futures contracts can be substantial. You should therefore carefully consider whether such trading is suitable for you in the light of your financial condition. In considering whether to trade, you should be aware of the following:

1. You may sustain a total loss of the initial margin funds and any additional funds that you deposit with your broker to establish or maintain a position in the commodity futures market. If the market moves against your position, you may be called upon by your broker to deposit a substantial amount of additional funds, on short notice, in order to maintain your position. If you do not provide the required funds within the prescribed time, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account.
2. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, when the market makes a "limit move".
3. Placing contingent orders, such as a "stop-limit" order, will not necessarily limit your losses to the intended amounts, since market conditions may make it impossible to execute such orders.
4. A "Spread" position may not be less risky than a simple "long" or "short" position.
5. The high degree of leverage that is often obtainable in futures trading because of the small margin requirements can work against you as well as for you. The use of leverage can lead to large losses as well as gains.

This brief statement cannot, of course, disclose all the risks and other significant aspects of the commodity markets. You should therefore carefully study futures trading before you trade.

FOR COMPLETION BY CLIENT

Individual (UK resident)-: section A
Individual (Non-UK resident)-: section A & C
Others-: (UK registered only)-: section B
Others-: (Non-UK registered)-: section B & C

Section A:- ALL INDIVIDUAL CLIENTS

I acknowledge that all business will be subject to your Standard Terms and Conditions of Business overleaf. I have read and understand the Risk Disclosure Statement. I confirm that those named on the front of this Agreement may give trading and other instructions on my behalf.

Signed Date

Full Name of Client

Witnessed by (Signed) Full Name of Witness

Address of Witness

Section B:- (CLIENTS OTHER THAN INDIVIDUALS)

We acknowledge that all business will be subject to your Standard Terms and Conditions of Business overleaf. We have read and understand the Risk Disclosure Statement.

We confirm that those named on the front of the Agreement may trade in our name.

For and on behalf of Chemetco, Inc.(client)

✓ T.G. McRae Date 4/29/85
Authorised Signatory/ies

Minutes of the Board of Directors of Chemetco, Inc.(client)

It was resolved:-

- (1) That the execution by the company of the Client Trading Agreement with Gourlay Wolff and Co. Ltd dated 4/29/85 be and it is hereby ratified.
(2) That the authority of the individuals named therein to give trading instructions to Gourlay Wolff and Co. Ltd on behalf of the company be and it is hereby ratified.

✓ Michel Feron
Chairman

I hereby certify that the above Minutes were passed at a meeting of the Board of Directors of Chemetco, Inc. on 4/29/85 at which a quorum of Directors was present, and enclose a current list of authorised signatories.

✓ T.G. McRae Date 4/29/85
Ass't Secretary

Section C: INDIVIDUAL CLIENTS - (NON UK RESIDENTS) AND OTHERS (NON-UK REGISTERED)

I,

Notary Public of

do hereby certify that I was present and did see (client/authorised signatories)

execute this Agreement and that the signature/s

appearing on the said Agreement is/are in the own true and proper handwriting of the said client/authorised signatories.

In faith and testimony whereof, I, the said Notary, have subscribed my name and set and affixed my seal of Office at:

..... aforesaid this day of 19

CME 03361

Gourlay Wolff & Co Ltd

116 BOROUGH HIGH STREET, LONDON SE1 1LB

TELEPHONES: GENERAL 01-403 0582. TRADING 01-403 3361. TELEX 8813151 (SINCLR G)

CLIENT TRADING AGREEMENT

Client Name: <u>CHENETCO</u>	
Contract Address: <u>PO Box 187</u> <u>ALTON IL 62002</u>	Mailing Address: (if different) <u>Same</u>
Contact (if not Client Name):	
Telephone No. Daytime: <u>618 254 4391</u> Evening: <u>Same</u>	Telex No: Answerback
Name and Address of Bankers: 1. <u>SCHROEDER BANK</u> <u>ONE STATE ST</u> <u>NEW YORK NY 10004</u>	2.
Name and Address of Trade References: 1.	2.
(Individual clients only) The following are appointed to give trading and other instructions on behalf of the client above. of and/or of	(All other clients) The following are authorised to trade in the name of the client above, subject to Clause 11 overleaf. Name Position <u>A. EBERSON</u> <u>PRES</u> <u>J. S. ARER</u> <u>V. PRES</u> <u>T. D. ROBIN</u> <u>TREASURER</u>

Signed

[Signature]

Date

11.02.86



STANDARD TERMS AND CONDITIONS OF BUSINESS

In consideration of Gourlay Wolff and Co Limited, hereinafter referred to as GW, agreeing to enter into contractual engagements with the client named on page 1 of this document, hereinafter referred to as the client, the client agrees as follows:

1. All contracts entered into by GW with the client shall be subject to the Rules, Regulations, By-laws and Customs of the Market upon which the transaction was or is to be effected, and the appropriate Clearing House and/or Regulatory Body (if any), and any trading arrangements or amendments to these Standard Terms and Conditions of Business advised to the client in writing under the signature of an authorised signatory of GW at the material time. In the event of any conflict between the Rules, Regulations, By-laws and Customs and these Standard Terms and Conditions, the latter shall prevail unless the client is a member of the Market upon which the transaction is effected in which case the Rules, Regulations, By-laws and Customs of that Market shall prevail.
2. The client shall, at all times, without notice from GW, maintain and keep accounts with GW fully margined in accordance with GW's requirements from time to time and the client shall pay to GW immediately on demand being made by GW deposits, margins, debit balances and other sums as may be required, whether by GW or by a Market or by the appropriate Clearing House or otherwise.
3. Notwithstanding that, subject to GW's agreement, an intermediary or agent may be used for the purpose of giving trading or settlement instructions, the client remains principally liable to GW for the proper maintenance of all accounts with GW, and all payments of money due to GW will be made direct to GW and not through the intermediary or agent who, in no circumstances, will have authority to give good receipt for such money on GW's behalf.
4. An Event of Default shall occur if and when:-
 - (i) the client shall fail to comply fully and immediately with his obligations and/or GW's demands as in (2) above;
 - (ii) the client fails to observe or perform any of its other obligations under these Standard Terms and Conditions of Business and/or any other agreement with GW or
 - (iii) the client shall die or commit any act of bankruptcy or becomes bankrupt or shall stop or suspend any payment or delivery or transfer, or
 - (iv) an encumbrancer takes possession of or a trustee, receiver or similar officer is appointed, in respect of all or any part of the business or assets of the client or distress or any form of execution is levied or enforced upon or sued out against any such assets and is not discharged within 21 days of being levied, enforced or sued out or any mortgage charge or lien or other security which may for the time being affect any of the client's assets, becomes enforceable by reason of default, or
 - (v) the client becomes unable to pay its debts as they fall due or any indebtedness or obligation of the customer for the repayment of borrowed monies becomes due and payable or capable of being declared due and payable prior to the specified maturity date therefor; or
 - (vi) the client convenes a meeting of its creditors or proposes or makes any arrangement or composition with or any assignment for the benefit of any of its creditors or an order or petition as presented for the winding up of the client is passed or a meeting is convened for the purpose of considering a resolution or other steps are taken for the winding up of the client; or
 - (vii) anything analogous to any of the events specified in subparagraphs 4(iii), 4(iv) and 4 (vi) occurs under the laws of any applicable jurisdiction or the client changes or threatens to change the nature or materially reduces the scope of its business, suspends or takes any action indicating a positive intention to suspend the substantial part of a present business operation which it now conducts directly or indirectly or any governmental authority expropriates or takes any action indicating a positive intention to expropriate all or part of the client's assets.
5. Upon or at any time after the occurrence of any Event of Default or whenever GW in its absolute discretion deems it desirable or prudent for its protection, GW shall not be obliged to deliver or transfer any commodity under any contract or to release any commodity, security or cash standing to the credit of any of the client's accounts, sub-accounts, or any connected accounts in the books of GW or to pay over any sum to the client; and may without notice to the client:
 - (a) Close out any or all open positions which the client or connected accounts may have with GW and
 - (b) Attach a general lien to any credit balances due by GW to the client or connected accounts, and
 - (c) Convert any balances at current market rates in £ sterling or US Dollars as GW may consider appropriate, and
 - (d) Transfer any such credit balances amongst GW's accounts in order to set off wholly or in part any of the client's liabilities to GW or any of the liabilities of the connected accounts to GW.

Without prejudice to any other provision herein contained GW shall be entitled at any time at their discretion and without notice to the client to merge, consolidate or combine all or any of the client's accounts, sub accounts and connected accounts held in the books of GW and in the books of any company owned, controlled or managed by GW or their ultimate shareholders ("connected companies of GW") so as to extinguish or diminish all or any part of any liability or liabilities of the client and/or connected account/s to GW or to connected companies of GW whether such liability or liabilities are actual or contingent, primary or collateral, several or joint.

The expression "connected account/s" shall be construed to mean any account in GW's books and/or the books of connected companies of GW in the name of any company/ies 50% or more of the shares of which are either beneficially owned by the client or the shareholders or the ultimate shareholders of the client or is under common management with the client or the management of which is ultimately controlled by the client, the shareholders or the ultimate shareholders of the client.

6. Payment due from the client shall be made promptly in freely transferable, cleared and available funds without deduction (whether in respect of set off, counterclaim, duty, taxes, charges, expenses, or otherwise howsoever). If the client is obliged by law to make a deduction in respect of taxes, the client shall pay to GW such amount which, after deduction of such taxes, shall ensure that the net amount actually received by GW will equal the full amount which would have been received by it had no such deduction or withholding been required.
7. The client hereby authorises GW to disclose to any Market, Association, Broker, Clearing House, Futures Commission Merchant or Regulatory Body entitled to demand such information, full details of the client's positions with GW and any other information on demand.
8. The client agrees to pay GW interest on any debit balance on the client's account at the rate of 3 per centum per annum over the base rates quoted from time to time by National Westminster Bank PLC if such debit balance shall be denominated in sterling. If such debit balance shall be denominated in US\$, the client agrees to pay GW interest on such debit balance at the rate of 3 per centum per annum over the prime rate quoted from time to time by Citibank N.A.
9. Nothing which GW may do or cause to be done or which GW may fail to do shall be, or shall be deemed to be, waiver of any of GW's rights or of any of the provisions of these Standard Terms and Conditions of Business.
10. This agreement is not assignable by the client except with GW's prior written consent, however nothing shall prevent GW from assigning it. It shall be binding on the client's personal representatives.
11. All contract confirmations, statements of account and open positions demands, notices and any other documents whatsoever to be given to the client by GW shall, unless actually received earlier, be deemed to have been received by the client 2 days after the same have been posted to the client at the mailing address shown overleaf and the client agrees to waive all claims resulting from failure to receive such communication. The client further agrees that all such documents shall be conclusive and binding upon the client as to its rights and liabilities unless written notice of objection thereto is received by GW within five days of the date on which such documents are received or are deemed to have been received, whichever shall be the earlier. All contracts returned to GW signed on the client's behalf, will be deemed to have been signed on the client's behalf by its duly authorised representative. The list of those named as authorised to trade on behalf of the client on Page 1 of this Agreement is understood to be correct at the time of its being signed; subsequent personnel changes, although not named in this Agreement shall be deemed to be duly authorised to trade in the usual manner with GW in the name of the client in the absence of written advice from the client to the contrary.

FOR COMPLETION BY CLIENT

Individual (UK resident):- section A
Individual (Non-UK resident):- section A & C
Others:- (UK registered only):- section B
Others:- (Non-UK registered):- section B & C

Section A:- ALL INDIVIDUAL CLIENTS

I acknowledge that all business will be subject to your Standard Terms and Conditions of Business overleaf. I have read and understand the Risk Disclosure Statement. I confirm that those named on the front of this Agreement may give trading and other instructions on my behalf.

Signed Date

Full Name of Client

Witnessed by (Signed) Full Name of Witness

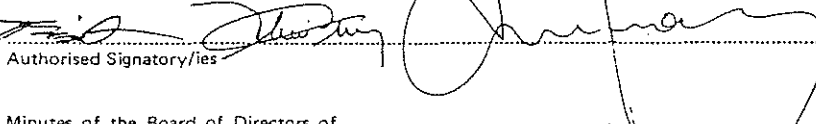
Address of Witness

Section B:- (CLIENTS OTHER THAN INDIVIDUALS)

We acknowledge that all business will be subject to your Standard Terms and Conditions of Business overleaf. We have read and understand the Risk Disclosure Statement.

We confirm that those named on the front of the Agreement may trade in our name.

For and on behalf of CHARACTEC Bank of Directors (client)

 Date 11.5.86
Authorised Signatory/ies

Minutes of the Board of Directors of (client)

It was resolved:-

- (1) That the execution by the company of the Client Trading Agreement with Gourlay Wolff and Co. Ltd dated be and it is hereby ratified.
- (2) That the authority of the individuals named therein to give trading instructions to Gourlay Wolff and Co. Ltd on behalf of the company be and it is hereby ratified.

.....
Chairman

I hereby certify that the above Minutes were passed at a meeting of the Board of Directors of

on at which a quorum of Directors was present, and enclose a current list of authorised signatories.

..... Date
Secretary

Section C: INDIVIDUAL CLIENTS - (NON UK RESIDENTS) AND OTHERS (NON-UK REGISTERED)

I,

Notary Public of

do hereby certify that I was present and did see (client/authorised signatories)

execute this Agreement and that the signature/s

appearing on the said Agreement is/are in the own true and proper handwriting of the said client/authorised signatories.

In faith and testimony whereof, I, the said Notary, have subscribed my name and set and affixed my seal of Office at:

.....aforesaid thisday of19.....

12. GW accept no liability whether contractually or otherwise howsoever for errors or omissions in any summary of dealings affecting client which GW may send by telex at the end of the trading day. This summary will not form a part of any contract between and the client. The client accepts that it is their duty to check all information given to it by GW and to notify GW immediately in writing of any errors.
13. Each contract shall be deemed to have been entered into by the client in reliance only upon their own judgement and deliberation and GW does not hold itself out or any of its directors employees or agents as having authority to advise the client on terms of or on any other matter connected with commodity and foreign exchange transactions (whether such advice is given verbally, in writing or is contained in any publication) and shall have no responsibility or liability whatsoever in respect of any such advice given to client whether or not such advice was requested by the client.
14. The client hereby warrants:-
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15. In respect of any obligation of the client hereunder to provide security or to make payment to GW, time shall be of the essence.
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18. These Standard Terms and Conditions of Business shall be governed and construed in accordance with the laws of England, but may at their absolute discretion institute proceedings in the Courts of any country or State in which assets of the client are situated or they are resident or otherwise. GW may revoke and amend these Standard Terms and Conditions of Business and any other arrangements advised to the client if at any time in its absolute discretion, GW thinks it necessary for its protection. Service of proceedings upon the client by posting the same to the address overleaf shall be deemed to be good service, any rule of law or equity notwithstanding.
19. Words importing the plural number in these Standard Terms and Conditions of Business shall include the single number and vice versa. In addition to the foregoing, the following Standard Terms and Conditions of Business will apply to all contracts entered into in gold and silver ("Bullion"), other than contracts entered into on terminal markets.
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21. In the case of a contract which involves the sale of Bullion to the client by GW, the property in the Bullion shall remain in GW until payment therefor has been made in full.
22. Risk in the Bullion shall pass to the client from first delivery of the Bullion to the client whether or not the property in the Bullion has passed to the client. Whilst the Bullion is in the possession of the client, and before property in the same has passed to the client, the client shall keep the Bullion in the same condition as that in which it was delivered and shall make good any damage or deterioration that occurs.
23. The client shall reimburse GW for all taxes, imposts and levies whatsoever charged in connection with a transaction effected hereunder or in connection with the deposit and holding of Bullion or other security and shall hold GW indemnified against all such taxes, imposts and levies.

RISK DISCLOSURE STATEMENT

This statement is furnished for all clients who trade on an exchange located in the United States because rule 1.55 of the Commodity Futures Trading Commission requires it. In addition, we consider it appropriate that all clients, regardless of the markets upon which they may wish to trade, are made aware of the considerations outlined by the statement, and accordingly acknowledge that they have read and understand it by signing the final page of this Agreement.

The risk of loss in trading commodity futures contracts can be substantial. You should therefore carefully consider whether such trading is suitable for you in the light of your financial condition. In considering whether to trade, you should be aware of the following:

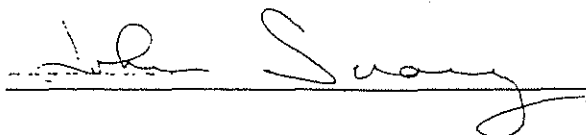
1. You may sustain a total loss of the initial margin funds and any additional funds that you deposit with your broker to establish or maintain a position in the commodity futures market. If the market moves against your position, you may be called upon by your broker to deposit a substantial amount of additional funds, on short notice, in order to maintain your position. If you do not provide the required funds within the prescribed time, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account.
2. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, when the market makes a "limit move".
3. Placing contingent orders, such as a "stop-limit" order, will not necessarily limit your losses to the intended amounts, since market conditions may make it impossible to execute such orders.
4. A "Spread" position may not be less risky than a simple "long" or "short" position.
5. The high degree of leverage that is often obtainable in futures trading because of the small margin requirements can work against you as well as for you. The use of leverage can lead to large losses as well as gains.

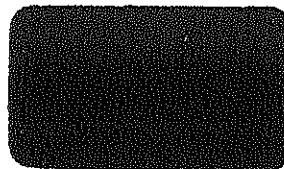
This brief statement cannot, of course, disclose all the risks and other significant aspects of the commodity markets. You should therefore carefully study futures trading before you trade.

MINUTES OF MEETING OF DIRECTORS
OF CHEMETCO, INC.

DATE February 1, 1988

The Board authorized the payment of a dividend of \$250,000 net as
of February 16, 1988.





ASARCO

New York Office
Ore Department

IRS
Copy 6/1

AGREEMENT NO. C87031

Dated: October 1, 1987

CONCORDE TRADING

AND

ASARCO Incorporated

CHEMETCO COPPER ANODES

AGREEMENT NO. C87031

CONCORDE TRADING, P. O. Box 187, Alton, Illinois 62002,
hereinafter called "Concorde", agrees to sell....

AND

ASARCO Incorporated, 180 Maiden Lane, New York, New York
10038, hereinafter called "Asarco" agrees to purchase
.....

1. PRODUCT

Copper anodes, produced by Chemetco in Alton, Illinois,
shall be commercially acceptable and shall conform to
Asarco's specifications for direct placement into the
refinery tanks including chemical analysis and physical
condition and shall be substantially:

Au:	0.05	opt			
Ag:	7-10	opt			
Cu:	98.5-99.3	%			
Ni:	Less than	0.40%	Se:	Less than	0.10%
Pb:	"	"	0.20%	Te:	" " 0.08%
As:	"	"	0.20%	O ₂	" " 0.20%
Sb:	"	"	0.10%	S :	" " 55 ppm

2. QUANTITY

The quantity shall be approximately 10,000 tons of product
per month; minimum of 8,000 short tons and a maximum of
12,000 tons month. Quantities in excess of 12,000 tons per
month shall be included at Asarco's option otherwise
excluded.

3. DURATION

The period of this agreement shall commence with product
delivered in October 1987 and continue through January
31, 1988.

4. DELIVERY

~~Delivery shall be f.o.b. railcars at Chemetco's loading facility at its Alton, Illinois plant.~~

5. SHIPMENT

Shipment of product shall be regularly and at a rate weekly advised by Concorde (approximately 2000 to 3000 short tons per week).

6. DATE OF DELIVERY

The date of delivery of product is the date that the last car of each refinery lot arrives at Asarco's Amarillo Copper Refinery (ACR).

7. CONSTRUCTIVE DATE OF DELIVERY

~~The constructive date of delivery of product shall be established on a weekly basis as advised by Concorde.~~ The quantity shall be determined on the following week's delivery schedule of copper anodes, adjusted for any discrepancies between the preceding week's actual deliveries and the quantity advised.

Advice shall be given to Asarco no later than the last business day of the calendar week prior delivery.

8. TITLE & RISK

Title and all risk of loss shall pass to Asarco on delivery of product.

PAYMENT FOR METALS9. GOLD

Deduct 0.01 troy ounce per ton of product from the gold assay and pay for 98% of the remaining gold content at the daily London Final Gold quotation, as published in Metals

9. GOLD CONT'D

Week, averaged for the quotational period, less a refining deduction of \$5.00 per troy ounce of payable gold.

10. SILVER

Deduct 0.50 troy ounces per ton of product and pay for 98% of the remaining silver content at the Handy & Harman New York quotation for refined silver, as published in Metals Week, averaged for the quotational period, less a refining deduction of 25.0¢ per troy ounce of payable silver.

11. PLATINUM

Deduct 0.03 troy ounces per ton of product and pay for 100% of the remaining platinum content at the Merc Ex Nearby Quotation for refined platinum, as published in Metals Week, averaged for the quotational period.

12. PALLADIUM

Deduct 0.20 troy ounces per ton of product and pay for 100% of the remaining palladium content at the Merc Ex Nearby Quotation for refined palladium, as published in Metals Week, averaged for the quotational period.

13. COPPER

Deduct 0.3 unit from the electrolytic copper assay of product and pay for 100% of the remaining copper content (hereinafter called "payable copper") at the Comex First Position, as published in Metals Week, averaged for the quotational period.

14. QUOTATIONAL PERIOD

Asarco shall have the option to select the quantity of each metal and the quotational period, calendar month of constructive delivery or the second calendar month following the month of constructive delivery, for each

14. QUOTATIONAL PERIOD CONT'D

respective metal by declaring so prior to the month of constructive delivery.

In the case of copper, if Asarco elects the second calendar month following the date of constructive delivery, by mutual agreement between Concorde and Asarco a copper quotation of the Comex second calendar month forward price averaged for the month of constructive delivery may be used. This is the Comex Second Position as published in Metals Week.

The quantity of payable metals to be considered delivered for pricing shall be mutually agreed upon prior to the month of delivery.

No accounting will be made for any metal or content except as above specified.

15. REFINING DEDUCTION

The base refining deduction shall be \$62.00 per short ton of product.

16. REJECT ANODES DEDUCTION

A deduction of \$20 per short ton shall be deducted for remelting and casting of reject anodes.

17. SETTLEMENTS

A) Asarco shall make a 100% provisional weekly payment, less applicable deductions, on the first (1st) business day of each calendar week for that week's advised deliveries.

17. SETTLEMENTS CONT'D

B) Asarco shall have the sole option to adjust the 100% provisional payment based on actual physical deliveries if less than advised by Concorde in previous weeks.

C) Final Settlement will be made when all necessary information is available.

18. SAMPLING

Sampling (at which Concorde or Concorde's representative may be present) as done by Asarco according to Asarco's standard practice at the receiving plant promptly after receipt of product, will be accepted as final. The absence of Concorde or Concorde's representative shall be deemed a waiver of the right in each instance.

By mutual agreement, sampling (at which Asarco or Asarco's representative may be present) as done according to a prescribed practice (Appendix I) at the Chemetco Alton, Illinois plant will be accepted as final. The absence of Asarco or Asarco's representative shall be deemed a waiver of the right in each instance.

19. WEIGHING, AND ASSAYING

Weighing (at which Concorde or Concorde's representative may be present) as done by Asarco according to Asarco's standard practice at the receiving plant promptly after receipt of product, will be accepted as final. The absence of Concorde or Concorde's representative shall be deemed a waiver of the right in each instance. After weighing, the product may be placed in process, commingled, or otherwise

19. WEIGHING, AND ASSAYING CONT'D

disposed of by Asarco. When the difference between the assays of Asarco and Concorde is within the splitting designated below, the exact mean of the assays shall be the settlement assay. When the difference between the assays of Asarco and Concorde is greater than the splitting limits specified, an umpire shall be selected in rotation from the list designated below, whose assay shall be the settlement assay if within the limits of the assays of the two parties and, if not, the assay of the party nearer to the umpire shall be the settlement assay. The cost of the umpire shall be borne by the party whose assay is further from the umpire assay, and in the event the umpire assay is the exact mean of the assays of the parties, then the cost shall be borne equally by both parties. In case of Concorde's failure to make or submit assays within sixty (60) days from the date samples are available to Concorde, Asarco's assays shall govern. The splitting limits and the umpire assayers shown below shall be subject to change by mutual agreement. Gold and silver assays are to be determined by commercial fire assay method, unadjusted for slag loss and cupel absorption. Gold assays shall represent only gold, exclusive of impurities. Concorde shall so instruct its assayers; and umpire assayers, when required, shall be so informed by Asarco.

Au: 0.015 opt
Ag: 0.25 opt
Cu: 0.20%

Pt: 0.015 opt
Pd: 0.015 opt

Umpire Assayers

Walker & Whyte, Inc.
22-14 40th Avenue
Long Island City, NY 11101

A.H. Knight Laboratories, Ltd.
P.O. Box 183
Pompton Lakes, NJ 07442

20. TAXES

The terms of this agreement are based on the taxes and other governmental charges to which Asarco is subject as of October 1, 1987. Any increase subsequent to said date in the amount paid by Asarco for taxes or other governmental charges national, state, local or municipal, imposed in respect to or measured by the product covered hereunder, or the production, extraction, smelting, refining, sale, transportation, proceeds or value thereof, or of the contents thereof, including, without limitation, any such payment based on pollutant emissions but excluding income taxes levied upon Asarco, shall be for the account of Concorde, and may be invoiced at time of settlement or billed separately at such later time as the amount due can be determined.

21. FORCE MAJEURE

Prevention or delay in the performance hereof caused by cessation, interruption or curtailment of operations at Asarco's plant designated to receive the product covered by this agreement or at Concorde's plant for failure of raw material or other operating requirements or for any other reason, including financial crisis, or, without regard to the foregoing enumeration, any disabling causes beyond the control of either party, caused by act of nature, strike, fire, flood, traffic interruption, delay in transportation, war, insurrection or mob violence, requirement or regulation of government, or any other cause which cannot be overcome by means normally employed in performance of this agreement, shall entitle the party affected to suspend this agreement. Party immediately affected by such cause shall give prompt written notice to the other party of such cause and shall also give written notice to the other party when the cause ceases to have effect. A suspension of performance pursuant to this

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21. FORCE MAJEURE CONT'D

agreement shall not have the effect of abrogating the agreement, but immediately upon the termination of the cause of disability, this agreement shall again come into full force and effect. Any suspension under this clause shall not operate to extend this agreement beyond the expiration date as determined under Clause 4, entitled "DURATION". The product affected by such suspension shall be excluded from this agreement. Asarco shall not be obligated to process such product at any time and Concorde shall be free to dispose elsewhere of such product not shipped during the entire period of such suspension.

22. DIVERSION

Asarco may, at its sole option, sell or divert the Product to other destinations and, subject to the other provisions of this clause, any increase or decrease in freight as against delivery as provided herein shall be for Asarco's account. Phelps Dodge shall have the obligation, provided 7 days advance notice is given, to comply with Asarco's destination diversion instructions including but not limited to shipping instructions in accordance with applicable freight tariffs governing such diversion. Any additional costs incurred by reason of Concorde's failure to comply with said instructions and freight tariffs shall be for Concorde's account. In case of such diversion, weighing and sampling shall be performed at the receiving plant and date of delivery of Product shall be the estimated date of arrival of the last car of each lot at the receiving plant. All other provisions of the agreement shall apply in all other respects as if no diversion had occurred. Notwithstanding the foregoing, Asarco shall in no case, including an event of force majeure at plant designated to receive product, be under any obligation to divert the Product.

23. DEFINITIONS

A pound means a dry pound avoirdupois.

A ton means a dry short ton or 2,000 dry pounds avoirdupois.

A unit means 1 $\frac{1}{2}$ of a ton or 20 pounds.

A business day means a named day in the calendar, Saturdays, Sundays, and major holidays excepted.

A calendar month means a named month in the calendar.

A lot shall be considered as one Concorde heat.

24. SUSPENSION OF QUOTATIONS

In the pricing of product or any metal contained therein, if one or more suspensions of quotations occur for any cause resulting in the absence of the quotation for more than three (3) days during the quotational period specified in this agreement, then the beginning of said period (or the balance thereof if suspension begins during the period) shall be deferred a number of quotational days equal to the number of quotational days occurring during the entire time of suspension, whether before, during or after said quotational period. When the normal number of quotations for the period specified in this agreement have been thus obtained, such quotation shall be averaged for pricing. One or more suspensions of quotations aggregating three (3) days or less during a quotational period shall be disregarded and the remaining quotations shall be averaged for pricing.

In case any firm or publication whose quotations are the basis for pricing any metal under this agreement shall go out of business, cease publication, or discontinue the making of quotations, then the quotations by such other firm or publication as the parties shall agree upon shall be used.

25. NOTICES

All notices, requests and other communications hereunder shall be in writing and shall be deemed to have been duly given or made when sent by first-class mail, postage prepaid, addressed:

if to Asarco:

Asarco Incorporated
180 Maiden Lane
New York, NY 10038
Attention: Vice President, Ore Dept.

copy to:

ASARCO Incorporated
Amarillo Copper Refinery
P. O. Box 30200
Amarillo, Texas 79120
Attention: Manager

and if to Concorde:

Concorde Trading
P. O. Box 187
Alton, Illinois 62002
Attention: Mr. John Suarez

or, in each case, at other such address as may be hereafter or have been designated most recently in writing by the addressee to the addressor.

Any notice given hereunder may be given by telegraph or telex and confirmed by mail in due course in which case such notice shall be deemed given or served when sent in telegraphic form.

26. SUCCESSION

This agreement shall bind and inure to the benefit of the parties hereto, their legal representatives, successors and assigns. This agreement shall not be assignable by either party hereto without the written consent of the other.

Such consent shall not be unreasonably withheld.

27. WAIVER

Waiver of any breach of any provision hereof shall not be deemed to be a waiver of any other provision hereof or of any subsequent breach of such provision.

This agreement shall take effect as a contract made in accordance with and be governed by the laws of the State of New York and shall come into full force and effect as of October 1, 1987 when signed by both parties.

CONCORDE TRADING

ASARCO Incorporated

By By 

Vice President, Ore Dept.

JKL/pwg

3/15/88